

REPORT  
STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
JUNE 30, 2007 AND 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/1/07

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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### INDEPENDENT AUDITOR'S REPORT

September 23, 2007

Board of Trustees  
State of Louisiana  
School Employees' Retirement System  
Baton Rouge, Louisiana

We have audited the accompanying statements of plan net assets of the State of Louisiana School Employees' Retirement System (Plan), a component unit of the State of Louisiana, as of June 30, 2007 and 2006, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the State of Louisiana School Employees' Retirement System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State of Louisiana School Employees' Retirement System as of June 30, 2007 and 2006, and the results of its operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on Pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We have audited the financial statements of the Plan for the years ending June 30, 2007 and 2006 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required statistical information on pages 25 - 27, and the supplemental schedules listed on pages 28 - 76 are presented for the purposes of additional analysis and are not a part of the basic financial statements. Such required statistical information for the years ending June 30, 2001 - 2006 and supplemental schedules for the years ending June 30, 2007 and 2006, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 23, 2007 on our consideration of State of Louisiana School Employees' Retirement System's internal control over financial reporting and on our tests of its compliance with laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007

The following is management's discussion and analysis of the financial performance of Louisiana Employees' Retirement System (LSERS). It is presented as a narrative overview and analysis for the purpose of assisting the reader with interpreting key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year.

**FINANCIAL HIGHLIGHTS**

- The System experienced net investment income of \$221,780,721 at June 30, 2007; however, this is a 164% increase from net investment income of \$84,039,860 at June 30, 2006. This increase is due to the appreciation in the fair market value of the System's assets. As a result, the total composite return of the portfolio was 15.52% for the year ended June 30, 2007 as compared to 5.83% for the year ended June 30, 2006.
- Member contributions increased by \$1,541,857 or 9%. This increase is due to a slight increase in member salaries and due to the filling of positions that were vacant for part of or the entire last year due to the effects of Hurricanes Katrina and Rita.
- Employer contributions increased by \$7,031,698 or 16%. This increase is mainly due to a number of factors. The employer contributions rate increased 6.5% from 18.4%, to 19.6% members' salaries increased slightly, and the number of members contributing increased.
- Refunds of member contributions decreased by \$2,081,284 or (29)%. The number of members refunding their contributions returned to the pre-Katrina refund levels.
- Other expenses decreased by \$449,201 resulting from a decrease in refunds of employer contributions. For the 2005-2006 year, one employer remitted excess contributions which were returned to the employer.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the System's basic financial statements, which are comprised of three components:

- Statement of Plan Net Assets
- Statement of Changes in Plan Net Assets
- Notes to the Financial Statements

The report also contains required supplemental information in addition to the basic financial statements themselves.

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007

The statements of plan net assets report the pension fund's assets, liabilities, and results in the net assets held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2007 and June 30, 2006.

The statements of changes in plan net assets report the results of the pension fund operations during the year, disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

**LSERS FINANCIAL ANALYSIS**

LSERS provides retirement benefits to all eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children. Member contributions, employer contributions, and earnings on investments fund these benefits.

Statements of Plan Net Assets  
June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash	\$ 16,553,344	\$ 14,776,356
Receivables	37,709,848	42,514,462
Investments	1,882,921,397	1,716,670,317
Property and Equipment	<u>3,684,688</u>	<u>3,782,036</u>
Total Assets	1,940,869,277	1,777,743,171
 Total Liabilities	 <u>284,239,944</u>	 <u>273,347,500</u>
 Net Assets Held in Trust for Pension Benefits	 <u>\$ 1,656,629,333</u>	 <u>\$ 1,504,395,671</u>

Statements of Changes in Plan Net Assets  
For the Years Ended June 30, 2007 and 2006

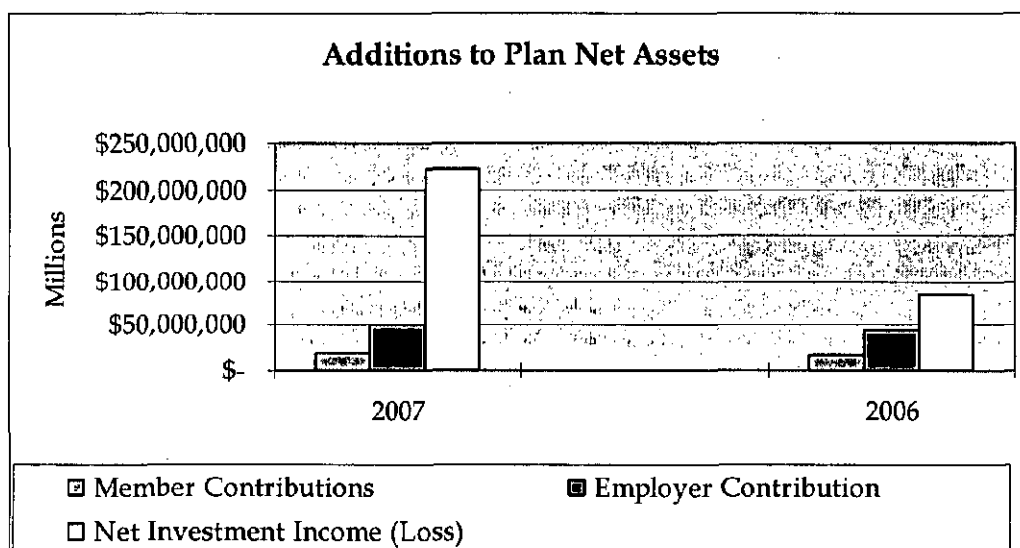
	<u>2007</u>	<u>2006</u>
Additions:		
Contributions	\$ 69,748,536	\$ 61,174,981
Investment Gains	<u>221,780,721</u>	<u>84,039,860</u>
Total Additions	291,529,257	145,214,841
 Total Deductions	 <u>139,295,595</u>	 <u>131,218,492</u>
 Change in Plan Net Assets	 <u>\$ 152,233,662</u>	 <u>\$ 13,996,349</u>

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

**ADDITIONS TO PLAN NET ASSETS**

Additions to LSERS plan net assets were derived from member and employer contributions and net gains on investments. Employer contributions increased \$7,031,698 or 16% while member contributions increased \$1,541,857 or 9%. The increase in employer contributions is due to a 6.5% increase in the employer contribution rate. The System experienced net investment income of \$221,780,721 for the fiscal year ending June 30, 2007 as compared to net investment income of \$84,039,860 for fiscal year ending June 30, 2006. This increase in net investment income is due to the appreciation in the fair market value of the System's assets.

<u>Additions to Plan Net Assets</u>	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease) Amount</u>	<u>Increase (Decrease) Percentage</u>
Member Contributions	\$ 19,258,618	\$ 17,716,761	\$ 1,541,857	9%
Employer Contributions	50,489,918	43,458,220	7,031,698	16%
Net Investment Income (Loss)	<u>221,780,721</u>	<u>84,039,860</u>	<u>137,740,861</u>	164%
Total	<u>\$ 291,529,257</u>	<u>\$ 145,214,841</u>	<u>\$ 146,314,116</u>	



**DEDUCTIONS FROM PLAN NET ASSETS**

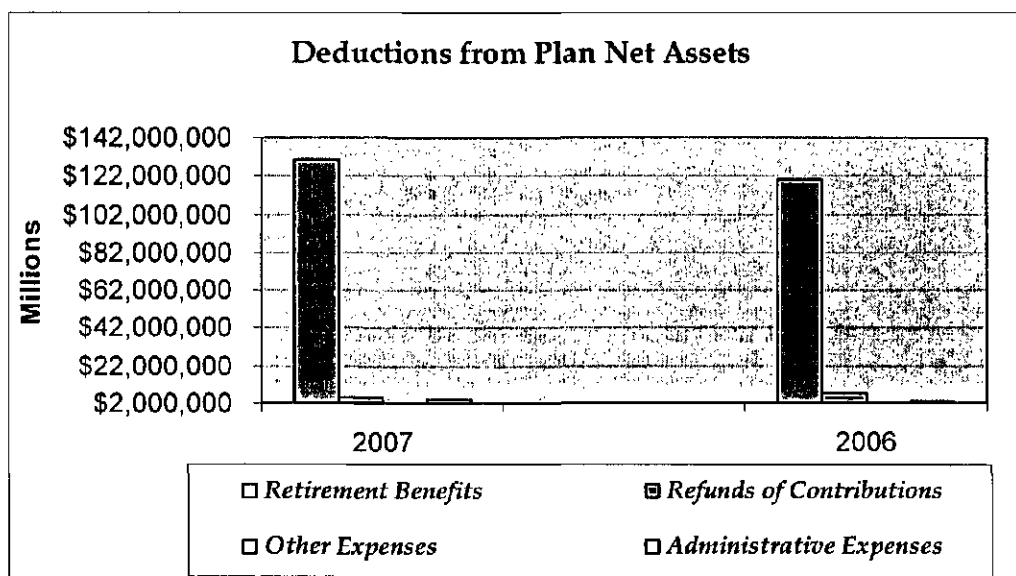
Deductions from plan net assets include mainly retirement, death and survivor benefits, refunds of contributions and administrative expenses. Deductions from plan net assets totaled \$139,295,595 in fiscal year 2007. This increase of \$8,077,103 or 6.2% is due mainly to the increase in retirement benefits paid.



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
AS OF JUNE 30, 2007

The cost of administering LSERS benefits per member during 2007 was \$138.

<u>Deductions to Plan Net Assets</u>	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease) Amount</u>	<u>Increase (Decrease) Percentage</u>
Retirement Benefits	\$ 130,256,443	\$ 119,959,677	\$ 10,296,766	9%
Refunds of Contributions	4,989,215	7,070,499	(2,081,284)	(29)%
Administrative Expenses	3,587,553	3,276,641	310,912	9%
Other Expenses	462,384	911,675	(449,291)	(49)%
Total	<u>\$ 139,295,595</u>	<u>\$ 131,218,492</u>	<u>\$ 8,077,103</u>	



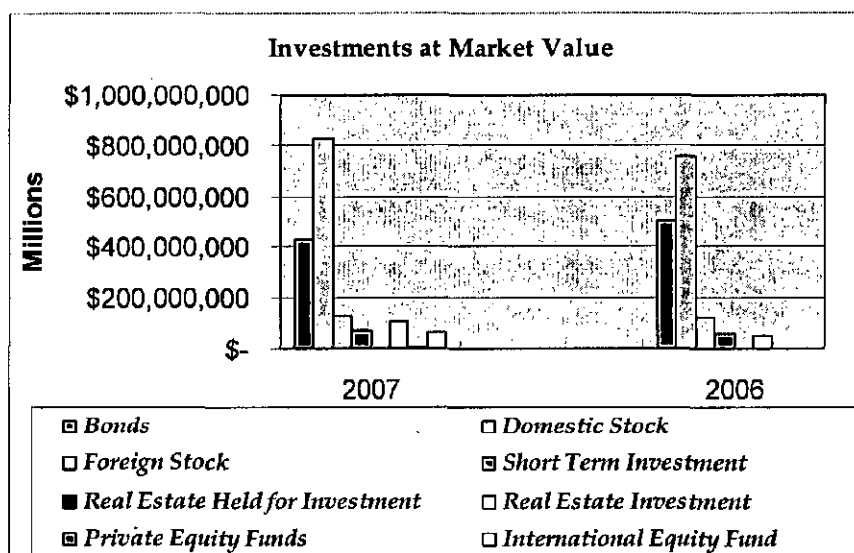
**INVESTMENTS**

LSERS is responsible for the prudent management of funds held in trust for the exclusive benefit of our members. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2007 excluding collateral held under securities lending program were \$1,637,325,454 as compared to \$1,482,756,392 at June 30, 2006, an increase of \$154,569,062.

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

LSERS' investments in various asset classes at the end of the 2007 and 2006 fiscal years are indicated in the following table:

<u>Investments</u>	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease) Amount</u>	<u>Increase (Decrease) Percentage</u>
Bonds	\$ 431,822,000	\$ 501,690,717	\$ (69,868,717)	(14)%
Domestic Stock	829,543,133	753,696,612	75,846,521	10%
Foreign Stock	126,229,365	121,917,501	4,311,864	4%
Short Term Investments	73,653,099	55,052,813	18,600,286	34%
Real Estate Held for Investment	2,261,714	2,249,936	11,778	.52%
Real Estate Investment	104,778,358	48,148,813	56,629,545	118%
Private Equity Funds	5,186,030	--	5,186,030	100%
International equity Fund	63,851,755	--	63,851,755	100%
<b>Total</b>	<b>\$ 1,637,325,454</b>	<b>\$ 1,482,756,392</b>	<b>\$ 154,569,062</b>	



**REQUESTS FOR INFORMATION**

Questions concerning any of the information provided in this report or requests for additional financial information can be addressed to Louisiana School Employees' Retirement System, Accounting Division, P. O. Box 44516, Baton Rouge, Louisiana 70804-4516.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
STATEMENTS OF PLAN NET ASSETS  
JUNE 30, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CASH:		
In bank	\$ <u>16,553,344</u>	\$ <u>14,776,356</u>
RECEIVABLES: (Notes 1 and 3)		
Member contributions	2,959,358	2,747,895
Employer contributions	7,907,454	6,865,880
Accrued interest and dividends	4,933,842	5,688,588
Investment receivable	21,642,397	27,178,465
Other	266,797	33,634
Total receivables	<u>37,709,848</u>	<u>42,514,462</u>
INVESTMENTS, AT FAIR VALUE:		
(Notes 1, 5, 6 and 7) (Pages 31 - 75)		
Short-term investments	73,653,099	55,052,813
U.S. Government and agency obligations	41,230,226	74,836,061
Bonds - domestic and foreign	380,308,301	422,888,425
Fixed income funds	10,283,473	3,966,231
Private equity funds	5,186,030	-
International equity fund	63,851,755	-
Marketable securities - domestic	829,543,133	753,696,612
Marketable securities - foreign	126,229,365	121,917,501
Collateral held under securities lending program	245,595,943	233,913,925
Real estate funds	104,778,358	48,148,813
Real estate held for investment	2,261,714	2,249,936
Total investments	<u>1,882,921,397</u>	<u>1,716,670,317</u>
PROPERTY AND EQUIPMENT, AT COST: (Notes 1 and 9)		
Building	3,632,918	3,632,918
Land	1,010,225	1,010,225
Furniture and equipment	1,066,362	1,040,763
	<u>5,709,505</u>	<u>5,683,906</u>
Less accumulated depreciation	<u>2,024,817</u>	<u>1,901,870</u>
Total property and equipment	<u>3,684,688</u>	<u>3,782,036</u>
Total assets	<u>1,940,869,277</u>	<u>1,777,743,171</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable	1,624,728	1,737,755
Accrued expenses and benefits	130,176	436,388
Obligations under securities lending program (Notes 5 and 6)	245,595,943	233,913,925
Investment payable	36,889,097	37,259,432
Total liabilities	<u>284,239,944</u>	<u>273,347,500</u>

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ <u>1,656,629,333</u>	\$ <u>1,504,395,671</u>
(A schedule of funding progress for the Plan is presented on Page 25)		

See accompanying notes.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
STATEMENTS OF CHANGES IN PLAN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ADDITIONS:		
Contributions: (Notes 1 and 3)		
Member contributions	\$ 19,258,618	\$ 17,716,761
Employer contributions	50,489,918	43,458,220
Total contributions	<u>69,748,536</u>	<u>61,174,981</u>
Investment Income: (Note 1)		
Net appreciation in fair value of investments	176,432,565	32,662,097
Interest	28,852,850	32,764,024
Securities lending income	12,507,593	9,966,739
Dividends	17,569,251	21,373,749
Real estate income	2,435,049	295,479
Foreign currency exchange gain	-	4,219
	<u>237,797,308</u>	<u>97,066,307</u>
Less Investment Expense:		
Investment advisory fee	3,490,510	3,210,066
Custodian and bank fees	204,827	198,141
Foreign currency exchange loss	229,412	-
Securities lending expense	11,954,427	9,487,138
Real estate expense	137,411	131,102
	<u>16,016,587</u>	<u>13,026,447</u>
Net investment gain	<u>221,780,721</u>	<u>84,039,860</u>
Total additions	<u>291,529,257</u>	<u>145,214,841</u>
DEDUCTIONS:		
Retirement benefits paid	130,256,443	119,959,677
Refunds of contributions	4,989,215	7,070,499
Administrative expenses (Page 76)	3,587,553	3,276,641
Depreciation expense	127,973	133,430
Transfer to other systems - employee	79,006	12,528
Transfer to other systems - employer and interest	255,405	765,717
Total deductions	<u>139,295,595</u>	<u>131,218,492</u>
NET INCREASE	<u>152,233,662</u>	<u>13,996,349</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	1,504,395,671	1,490,399,322
END OF YEAR	<u>\$ 1,656,629,333</u>	<u>\$ 1,504,395,671</u>

See accompanying notes.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

The State of Louisiana School Employees' Retirement System was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes (LRS). The Plan is administered by a board of trustees made up of ten members composed of the President of the Louisiana School Bus Operators' Association, the chairman of the House Retirement Committee, the chairman of the Senate Retirement Committee, the Secretary of State, the State Treasurer, two service retirees elected by the retirees of the Plan, and a resident of each of the four districts of the Retirement System elected by the members of the Retirement System for a term of four years each.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of State of Louisiana School Employees' Retirement System (Plan) are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor of the National Council on Governmental Accounting (NCGA).

In addition, these financial statements include the provisions of GASB Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and related standards. This standard provides for inclusion of a management discussion and analysis as supplementary information and other changes.

Financial Reporting Entity

In June 1991, the Governmental Accounting Standards Board (GASB) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability.

In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or there is a potential for the organization to provide specific financial burdens to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. There are no component units of the Plan.

The Plan is a component unit of the State of Louisiana and its financial statements are included in the financial statements of the State of Louisiana.

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting.

Employer and employee contributions are recognized in the period that the employee is compensated for services performed.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

Benefits and refunds paid are recognized when due and payable in accordance with the terms of the Plan.

Interest income is recognized when earned and dividends are recognized at the declaration date.

Expenditures are recognized in the period incurred.

Investments are reported at fair value. Changes in market value are reported as gains or losses in the year the change occurred. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The Plan reports securities lent through the securities lending program as assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Liabilities resulting from securities lending transactions are reported as well.

The Plan invests in futures contracts and options in futures contracts. The changes in the market value of the contracts are reported as gains and losses in the period in which the change occurs.

The investment in real estate consists of the leasing of office space. The investment is valued at fair market value which is based upon appraised value.

Property and Equipment:

Land, building, equipment and furniture are carried at historical cost. Depreciation is computed by the straight-line method based upon useful lives of 40 years for the building and 3 to 10 years for equipment and furniture.

2. PLAN DESCRIPTION:

The State of Louisiana School Employees' Retirement System ("the Plan") is the administrator of a cost-sharing multiple-employer defined benefit pension plan and is a component unit of the State of Louisiana included in the State's CAFR as a Pension Trust Fund. The Plan was established and provided for by R.S.11:1001 of the Louisiana Revised Statutes (LRS). The accompanying statements present information only as to transactions of the program of the Plan as authorized by Louisiana Revised Statutes. For the years ended June 30, 2007 and 2006, the local government contributors consisted of 67 school boards and 36 other agencies contributing to the Plan.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

2. PLAN DESCRIPTION: (Continued)

The Plan provides retirement benefits to non-teacher school employees excluding those classified as lunch workers within the public school system of Louisiana. At June 30, 2007 and 2006, plan membership consisted of:

	<u>2007</u>	<u>2006</u>
Retirees and beneficiaries		
currently receiving benefits	12,017	11,687
Terminated employees entitled to benefits		
but not yet receiving them	385	292
Terminated vested employees who have not		
withdrawn contributions (DROP)	673	732
Fully vested, partially and		
nonvested active employees	<u>12,935</u>	<u>13,079</u>
 TOTAL PARTICIPANTS	 <u>26,010</u>	 <u>25,790</u>

Eligibility Requirements:

Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153.

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service.

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employee who works 20 hours or less per week and does not have at least 10 years of credited service will be refunded their contributions.

Benefits:

A member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

2. PLAN DESCRIPTION: (Continued)

Benefits: (Continued)

The maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service for members who joined the system prior to July 1, 2006, multiplied by the number of years of service limited to 100% of final average compensation, plus a supplementary allowance of \$2.00 per month for each year of service. For members who join the system on or after July 1, 2006, the average compensation used to calculate benefits consists of the five highest consecutive years' average salary. The supplemental allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A member who joins the system on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

Upon the death of a member with five or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from \$300 up to 75% of the member's average compensation for the three highest consecutive years of membership service.

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.



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SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
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2. PLAN DESCRIPTION: (Continued)

Benefits: (Continued)

The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the state legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

3. CONTRIBUTIONS AND RESERVES:

Contributions for plan members are established by state statute at 7.5% of their annual covered salary for the years ended June 30, 2007 and 2006. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The employer rate for the years ended June 30, 2007 and 2006 was 19.6% and 18.4%, respectively.

*Administrative costs are included in aggregate normal cost.*

Reserves:

Use of the term "reserve" by the retirement system indicates that a portion of the fund balances is legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

A) Administrative:

The Administrative Fund Reserve provides for general and administrative expenses of the Plan and those expenses not funded through other specific legislative appropriations. Funding consists of transfers from the investment earnings and is made as needed. The Administrative Fund Reserve for each year ending June 30, 2007 and 2006 is \$0. Any excess funds at year end are closed out to the Pension Accumulation Fund per Louisiana Statute.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the Plan. When a member terminates his service or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Survivor Benefit Reserve. When a member retires, the amount of his accumulated contributions is transferred to Pension Reserve to provide part of the benefits. The Annuity Savings as of June 30, 2007 and 2006 is \$137,564,511 and \$135,649,178, respectively. The Annuity Savings is fully funded.

C) Pension Accumulation Fund:

The Pension Accumulation Fund consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Pension Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation Fund as of June 30, 2007 and 2006 is \$559,663,861 and \$524,767,645, respectively. The Pension Accumulation Fund is 48% funded at June 30, 2007 and 30% funded at June 30, 2006.

D) Pension Reserve and Survivors Benefit Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of active members receive benefits from the Survivors Benefit Reserve account. The Pension Reserve as of June 30, 2007 and 2006 is \$1,075,545,710 and \$1,040,221,198, respectively. The Survivors Benefit Reserve as of June 30, 2007 and 2006 is \$110,437,170 and \$108,606,912, respectively. Both Reserves are fully funded.

E) Deferred Retirement Option Account:

The Deferred Retirement Option account consists of the reserves for all members who upon retirement eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option as of June 30, 2007 and 2006 is \$63,509,013 and \$62,477,642, respectively. The Deferred Retirement Option account is fully funded.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

F) Initial Benefit Retirement Plan Reserve:

The Initial Benefit Retirement Plan Reserve consists of the reserves for all participants who elect to take a lump sum benefit payment up front and subsequently receive a reduced monthly benefit. The maximum amount a member may receive up front is 36 months times the maximum benefit. The Initial Benefit Retirement Plan Reserve as of June 30, 2007 and 2006 is \$882,748 and \$871,690, respectively. The Initial Benefit Retirement Plan Reserve is fully funded.

4. ACTUARIAL COST METHOD:

The individual "Entry Age Normal" cost method was used to calculate the funding requirements of the Retirement System. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as a percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal cost is called the actuarial accrued liability.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Plan's deposits, cash equivalents and investments at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Deposits (bank balance)	\$ 21,628,623	\$ 17,110,092
Cash equivalents	73,653,099	55,052,813
Investments	<u>1,735,615,199</u>	<u>1,606,564,691</u>
	<u>\$ 1,830,896,921</u>	<u>\$ 1,678,727,596</u>

Deposits:

The Plan's bank deposits were entirely covered by federal depository insurance and by pledged securities. The pledged securities were held at the Federal Reserve in joint custody.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Cash Equivalents:

For the years ending June 30, 2007 and 2006, cash equivalents in the amount of \$68,617,133 and \$52,973,614, respectively, consist of government pooled investments, commercial paper and a government agency note. The funds are managed and held by a separate money manager and are in the name of the Plan. For the years ending June 30, 2007 and 2006, cash equivalents in the amount of \$328,433 and \$326,492, respectively, consist of U. S. Treasury Bills managed by a separate money manager, held by the Plan's custodian, and are in the name of the Plan. For the years ending June 30, 2007 and 2006, cash equivalents in the amount of \$4,707,533 and \$1,752,707, respectively, consist of money market funds held by the Plan's custodian in the name of the Plan.

Investments:

In accordance with LRS 11:263, the Plan is authorized to invest under the Prudent-Man Rule. The Prudent-Man Rule means that, in investing, the governing authorities of the Plan "shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income." Notwithstanding the Prudent-Man Rule, the Plan shall not invest more than sixty-five percent of the total portfolio in equity investments.

Concentration of Credit Risk:

The Plan's investment policy states that no more than 5 percent of the total stock portfolio valued at market may be invested in the common stock of any one organization. In addition, no more than 10% at cost of the total long-term debt portfolio at cost may be invested in any one issuer's securities. There were no investments in any one organization which represented 5% of total investments at June 30, 2007 and 2006.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the Plan's investments in long-term debt securities as of June 30, 2007 and 2006 (U.S. Government and Agency obligations totaling \$41,230,226 and \$74,836,061, respectively, are not rated). Below is a schedule of other bonds and bond funds with their applicable ratings.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

<u>2007</u>						
	Corporate bonds	Mortgage-backed securities	Collateralized mortgage oblig.	Other	Total Bonds	Fixed Income Funds
AAA	\$ 4,784,846	\$ -	\$ 22,012,606	\$ -	\$ 26,797,452	\$ -
AA+	-	-	-	-	-	-
AA	4,455,039	-	-	-	4,455,039	-
AA-	2,210,346	-	-	1,303,431	3,513,777	-
A+	18,639,056	-	-	2,091,549	20,730,605	-
A	14,214,595	-	-	4,193,844	18,408,439	-
A-	12,191,518	-	-	-	12,191,518	-
BBB+	10,810,684	-	235,801	1,638,190	12,684,675	-
BBB	32,829,838	-	-	986,500	33,816,338	-
BBB-	12,850,469	-	-	660,575	13,511,044	-
BB+	3,519,241	-	-	1,896,062	5,415,303	-
BB	6,043,704	-	-	-	6,043,704	-
BB-	1,358,283	-	-	1,191,712	2,549,995	-
B+	1,500,000	-	-	-	1,500,000	-
B	1,504,717	-	-	-	1,504,717	-
B-	1,586,250	-	-	-	1,586,250	-
Not rated	6,595,769	185,411,350	22,896,298	696,028	215,599,445	10,283,473
	<u>\$ 135,094,355</u>	<u>\$ 185,411,350</u>	<u>\$ 45,144,705</u>	<u>\$ 14,657,891</u>	<u>\$ 380,308,301</u>	<u>\$ 10,283,473</u>
<u>2006</u>						
	Corporate bonds	Mortgage-backed securities	Collateralized mortgage oblig.	Other	Total Bonds	Fixed Income Funds
AAA	\$ 5,651,780	\$ 32,707,050	\$ 18,245,781	\$ 872,852	\$ 57,477,463	\$ -
AA+	-	-	-	-	-	437,871
AA	495,717	825,558	-	1,026,196	2,347,471	-
AA-	14,022,458	-	-	1,299,966	15,322,424	-
A+	20,942,192	-	-	-	20,942,192	-
A	20,010,388	-	-	3,857,652	23,868,040	-
A-	18,587,533	-	-	287,062	18,874,595	-
BBB+	30,172,007	626,972	-	-	30,798,979	-
BBB	29,258,474	1,648,820	609,171	6,454,641	37,971,106	431,280
BBB-	15,688,473	459,143	565,203	1,102,222	17,815,041	-
BB+	4,280,887	-	-	1,651,759	5,932,646	-
BB	2,005,000	-	-	-	2,005,000	-
BB-	4,840,375	-	-	459,000	5,299,375	1,648,920
B+	3,911,810	-	-	-	3,911,810	-
B	667,850	-	-	-	667,850	-
B-	-	-	-	686,250	686,250	-
Not rated	-	143,122,908	35,845,275	-	178,968,183	1,448,160
	<u>\$ 170,534,944</u>	<u>\$ 179,390,451</u>	<u>\$ 55,265,430</u>	<u>\$ 17,697,600</u>	<u>\$ 422,888,425</u>	<u>\$ 3,966,231</u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The Plan's investment policy limits its investments to corporate debt issues rated investment grade by Moody's Investor Services, Standard & Poors, Fitch Investor Services, or Duff & Phelps. Securities that are downgraded below the policy standard must be sold within a reasonable amount of time. In addition, the plan may invest in debt instruments of the U.S. Government or its agencies.

Cash collateral invested under the securities lending program may be invested in regulated investment companies, U.S. or Eurodollar deposits, commercial paper rated A2, P2 or higher at the time of investment, repurchase agreements, bankers' acceptances or similar quality money market or cash equivalent investments. The plan is in compliance with the investment policy regarding cash collateral invested under the securities lending program.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Plan is not exposed to custodial credit risk at June 30, 2007 and 2006 for investments in the amounts of \$1,637,325,454 and \$1,482,756,392, respectively, since the investments are in the name of the Plan. At June 30, 2007 and 2006, for collateral held under securities lending in the amounts of \$245,595,943 and \$233,913,925, respectively, and noncash collateral received under the securities lending program in the amounts of \$2,621,403 and \$14,046,699, respectively, the Plan is exposed to custodial credit risk since these investments are not in the name of the Plan. The Plan has no formal investment policy regarding custodial credit risk.

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's exposure to foreign currency risk is limited to its investment in foreign marketable securities at June 30, 2007 and 2006 as follows:

<u>Currency</u>	<u>2007</u> <u>Fair Value</u>	<u>2006</u> <u>Fair Value</u>
Australian dollar	\$ 8,200,100	\$ 6,669,039
European euro	16,321,530	14,113,527
Canadian dollar	3,608,367	3,249,348
China/Hong Kong dollar	14,980,480	14,381,685

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

Danish krone	\$ 2,608,781	\$ 3,343,261
Japanese yen	48,590,422	60,348,020
Swedish krona	5,248,330	3,010,044
Swiss franc	2,409,595	2,539,918
British pound	<u>24,261,760</u>	<u>14,262,659</u>
Total	<u>\$ 126,229,365</u>	<u>\$ 121,917,501</u>

The Plan's investment policy has a target of 10 percent of total investments in foreign marketable securities. At June 30, 2007 and 2006, the Plan's current position is 8% for both years.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2007 and 2006, the Plan had the following investments in long-term debt securities and maturities:

2007

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
U.S. Government and Government Agency Obligations	\$ 41,230,226	\$ -	\$ 21,354,912	\$ 6,567,784	\$ 13,307,530
Other Bonds:					
Corporate Bonds	\$ 135,094,355	\$ -	\$ 64,231,746	\$ 41,502,754	\$ 29,359,855
Mortgage-backed securities	185,411,350	-	9,313,604	3,981,355	172,116,391
Collateralized mortgage obligations	45,144,705	-	-	3,477,037	41,667,668
Other	14,657,891	-	1,765,997	4,707,407	8,184,487
	<u>\$ 380,308,301</u>	<u>\$ -</u>	<u>\$ 75,311,347</u>	<u>\$ 53,668,553</u>	<u>\$ 251,328,401</u>
Collateral Held Under Securities Lending Program	\$ 245,595,943	\$ 245,595,943	\$ -	\$ -	\$ -

2006

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
U.S. Government and Government Agency Obligations	\$ 74,836,061	\$ -	\$ 58,855,290	\$ 3,592,761	\$ 12,388,010
Other Bonds:					
Corporate Bonds	\$ 170,534,944	\$ -	\$ 49,570,512	\$ 87,193,925	\$ 33,770,507
Mortgage-backed securities	179,390,451	293,616	7,320,941	5,081,028	166,694,866
Collateralized mortgage obligations	55,265,430	-	-	1,507,764	53,757,666
Other	17,697,600	-	1,360,759	6,855,932	9,480,909
	<u>\$ 422,888,425</u>	<u>\$ 293,616</u>	<u>\$ 58,252,212</u>	<u>\$ 100,638,649</u>	<u>\$ 263,703,948</u>
Collateral Held Under Securities Lending Program	\$ 233,913,925	\$ 233,913,925	\$ -	\$ -	\$ -

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

As a means of limiting its exposure to fair value losses arising from rising interest rates, no more than 3 percent of the Plan's investment portfolio may have stated maturities in excess of 30 years.

The Plan invests in collateralized mortgage obligations. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

6. SECURITY LENDING TRANSACTIONS:

State statutes and Board of Trustees' policies permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Plan entered into a contract with a company which acts as its third-party securities lending agent. The lending agent has access to the Plan's lendable portfolio or available assets. The agent lends available assets such as U.S. and non U.S. equities, corporate bonds, and U.S. Government and Government Agency Securities. Securities are loaned versus collateral that may include cash, U.S. Government securities, and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. At year-end, the Plan has no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. The contract with the Plan's agent requires it to provide borrower indemnification. The custodian's responsibility includes performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

All security loans can be terminated on demand by either the Plan or the borrower, although the average term of a loan is 90 days. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end has a weighted-average maturity of 39 days. Cash collateral may also be invested separately in "term loans", in which the investments match the loan term. These loans can be terminated on demand by either lender or borrower. The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the security loans made by other entities that use the agent's pool, which the Plan cannot determine. The Plan cannot pledge or sell collateral securities received unless the borrower defaults. There were no significant violations of legal or contractual provisions and no borrower or lending agent default losses are known to the securities lending agent.



STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

6. SECURITY LENDING TRANSACTIONS: (Continued)

The Plan has the following securities on loan:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
	Market	Market
	(Carrying Value)	(Carrying Value)
U. S. Government Securities	\$ 42,918,723	\$ 38,363,700
U. S. Government Agency Securities	4,831,220	5,480,892
Government Securities – foreign	--	271,244
Corporate bonds	37,308,847	53,575,997
Marketable Securities – domestic	143,259,374	121,134,178
Marketable Securities – foreign	<u>14,233,994</u>	<u>24,662,716</u>
	<u>\$ 242,552,158</u>	<u>\$ 243,488,727</u>

Securities on loan at June 30, 2007 and 2006 are collateralized by cash collateral in the amount of \$245,595,943 and \$233,913,925, respectively, and noncash collateral in the amount of \$2,621,403 and \$14,046,699, respectively.

The term to maturity of the securities loaned is matched with the term to maturity of the investment of the cash collateral at June 30, 2007 and 2006. Such matching did exist since loans may be terminated on demand.

7. FUTURES:

The Plan has entered into futures contracts for the purpose of maintaining market exposure for excess cash. At June 30, 2007, the Plan had 7 outstanding S&P futures contracts, and 68 treasury note futures contracts, all maturing September 2007. At June 30, 2006, the Plan had 10 outstanding S&P futures contracts. The notional value of the open contracts at June 30, 2007 and 2006 was \$14,295,688 and \$3,153,988, respectively. The fair value of the open contracts at June 30, 2007 and 2006 was \$14,253,278 and \$3,198,500, respectively.

The Plan is exposed to credit loss in the event of nonperformance by the other parties to the futures contracts. However, the Plan does not anticipate nonperformance by the counterparties. The Plan is exposed to market risk as a result of possible future changes in market prices. The maximum amount of credit or market risk to the Plan is the notional value of the contracts. During the year ended June 30, 2007 and 2006, the Plan realized net gains of \$1,075,905 and \$286,923, respectively, on futures trading. The net losses and gains are recorded on the financial statements in net appreciation in fair value income.

The Fund is required to pledge \$330,000 of treasury bills as collateral for the S&P 500 trading account. At June 30, 2007 and 2006, the pledged treasury bills' fair market value was \$328,432 and \$326,492, respectively.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

8. PER DIEM PAID TO BOARD MEMBERS:

Per diem paid to board members, as presented on Page 30, was established at \$75.00 per day in accordance with Louisiana Revised Statute 42:700.2.

9. PROPERTY AND EQUIPMENT:

Changes in property and equipment are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer to Investment</u>	<u>Ending Balance</u>
Building	\$ 3,632,918	\$ --	\$ --	\$ --	\$ 3,632,918
Land	1,010,225	--	--	--	1,010,225
Furniture and equipment	1,040,763	34,410	(8,811)		1,066,362
Accumulated depreciation	<u>(1,901,870)</u>	<u>(127,973)</u>	<u>5,026</u>		<u>(2,024,817)</u>
	<u>\$ 3,782,036</u>	<u>\$ (93,563)</u>	<u>\$ (3,785)</u>	<u>\$</u>	<u>\$ 3,684,688</u>

Depreciation expense for the years ended June 30, 2007 and 2006 was \$127,973 and \$133,430, respectively.

10. SUPPLEMENTARY INFORMATION:

In accordance with GASB 25, required supplementary information can be found in the attached schedules on pages 25 through 27.

11. TAX QUALIFICATION:

The Plan is a Tax Qualified Plan Under IRS Code Section 401(a).

12. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006

13. OPERATING LEASES:

The Plan leases office space recorded as real estate held for investment under an operating lease expiring October 31, 2010.

Minimum future rentals to be received on operating leases for each of the next 3 years and in the aggregate are:

<u>JUNE 30</u>	
2008	\$ 283,193
2009	283,193
2010	<u>94,398</u>
	<u>\$ 660,784</u>

The lease may be terminated under various circumstances by both parties.

STATE OF LOUISIANA  
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 (DOLLAR AMOUNTS IN THOUSANDS)  
JUNE 30, 2002 THROUGH 2007

<u>Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>(Surplus) Underfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a/c)</u>
2002	\$1,433,859*	\$ 1,582,071	\$ 148,212	90.6%	\$ 258,876	57.3%
2003	1,369,601*	1,730,796	361,195	79.1	268,656	134.4
2004	1,381,154	1,820,958	439,804	75.8	259,698	169.4
2005	1,423,207	1,889,445	466,238	75.3	259,232	179.9
2006	1,480,748	1,872,594	391,846	79.1	239,321	163.7
2007	1,558,328	1,947,603	389,275	80.0	259,045	150.3

\* The actuarial value of assets are reduced by the employer credit account.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
JUNE 30, 2002 THROUGH 2007

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution</u>	<u>Percentage Contributed</u>
2002	\$ 28,989,602	52.57%
2003	47,222,922	64.29
2004	45,553,547	61.47
2005	49,942,339	75.59
2006	43,526,534	99.84
2007	45,808,043	110.22

The actuarially required contribution differs significantly from actual contributions made due to the Plan's requirement to contribute the greater of the actuarially required amount or the contribution percentage required by the Louisiana Constitution in the amount of 6%. The statutory rate was higher than the actuarially required rate for the years 2002 and 2003. The excess contributions collected were added to the employer credit account. The employer credit account was used to fund future years actuarially required employer contributions.

For the years ending June 30, 2007, 2006, 2005 and 2004, the actuarially required contribution differs from actual contributions made due to state statute that requires the contribution rate be calculated and set two years prior to the year effective.

STATE OF LOUISIANA  
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 NOTES TO SCHEDULE OF FUNDING PROGRESS AND  
 SCHEDULE OF CONTRIBUTIONS  
JUNE 30, 2002 THROUGH 2007

The information presented in the required supplementary schedules was determined from the actuarial valuations at the dates indicated. Additional information as of actuarial valuation date of June 30, 2007 follows:

Valuation date	June 30, 2007
Actuarial cost method	Entry Age
Amortization method	Level Percentage of Projected Payroll, the amortization period is for a specified number of years (closed basis)
Remaining amortization period	22 years
Asset valuation method	The Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average in the unrealized gain or loss in the value of all assets.
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	The rate of annual salary growth is based on the members' years of service.
Cost of living adjustments	The liability for cost of living raises already granted is included in the retiree reserve. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of benefit increases.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
STATEMENT OF CHANGES IN RESERVE BALANCES  
FOR THE YEAR ENDED JUNE 30, 2007

	Pension Reserve	Survivor Benefit	Annuity Savings	DROP
BALANCES, JULY 1, 2006	\$ <u>1,040,221,198</u>	\$ <u>108,606,912</u>	\$ <u>135,649,178</u>	\$ <u>62,477,642</u>
REVENUES AND TRANSFERS:				
Contributions:				
Members	-	-	19,258,618	-
Employers	-	-	-	-
Investment income and other sources	-	-	-	-
Transfers from Annuity Savings	12,275,064	-	-	-
Pensions transferred from				
Pension Reserve	-	-	-	14,918,864
Operating transfers	-	-	-	-
Actuarial transfers	<u>151,829,437</u>	<u>4,349,141</u>	<u>-</u>	<u>-</u>
Total revenues	<u>164,104,501</u>	<u>4,349,141</u>	<u>19,258,618</u>	<u>14,918,864</u>
EXPENDITURES AND TRANSFERS:				
Retirement allowances paid	112,957,310	2,518,883	-	13,887,493
Refunds to members	-	-	4,989,215	-
Transfers to Pension Reserve	-	-	12,275,064	-
Pensions transferred to DROP	14,918,864	-	-	-
Pensions transferred to IBRP	903,815	-	-	-
Transfers to other systems	-	-	79,006	-
Depreciation	-	-	-	-
Administrative expenses	-	-	-	-
Operating transfers	-	-	-	-
Actuarial transfer	-	-	-	-
Total expenditures	<u>128,779,989</u>	<u>2,518,883</u>	<u>17,343,285</u>	<u>13,887,493</u>
NET INCREASE (DECREASE)	<u>35,324,512</u>	<u>1,830,258</u>	<u>1,915,333</u>	<u>1,031,371</u>
BALANCES - JUNE 30, 2007	\$ <u><u>1,075,545,710</u></u>	\$ <u><u>110,437,170</u></u>	\$ <u><u>137,564,511</u></u>	\$ <u><u>63,509,013</u></u>

<u>IBRP</u>	<u>Pension Accumulation</u>	<u>Administrative Fund</u>	<u>Surplus (Unfunded) Actuarial Liability</u>	<u>Total</u>
\$ <u>871,690</u>	\$ <u>524,767,645</u>	\$ <u>-</u>	\$ <u>(368,198,594)</u>	\$ <u>1,504,395,671</u>
-	-	-	-	19,258,618
-	50,489,918	-	-	50,489,918
-	221,780,721	-	-	221,780,721
-	-	-	-	12,275,064
-	-	-	-	-
903,815	-	-	-	15,822,679
-	-	3,587,553	-	3,587,553
-	-	-	77,224,914	233,403,492
<u>903,815</u>	<u>272,270,639</u>	<u>3,587,553</u>	<u>77,224,914</u>	<u>556,618,045</u>
892,757	-	-	-	130,256,443
-	-	-	-	4,989,215
-	-	-	-	12,275,064
-	-	-	-	14,918,864
-	-	-	-	903,815
-	255,405	-	-	334,411
-	127,973	-	-	127,973
-	-	3,587,553	-	3,587,553
-	3,587,553	-	-	3,587,553
-	233,403,492	-	-	233,403,492
<u>892,757</u>	<u>237,374,423</u>	<u>3,587,553</u>	<u>-</u>	<u>404,384,383</u>
<u>11,058</u>	<u>34,896,216</u>	<u>-</u>	<u>77,224,914</u>	<u>152,233,662</u>
\$ <u>882,748</u>	\$ <u>559,663,861</u>	\$ <u>-</u>	\$ <u>(290,973,680)</u>	\$ <u>1,656,629,333</u>



STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
STATEMENT OF CHANGES IN RESERVE BALANCES  
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Pension Reserve</u>	<u>Survivor Benefit</u>	<u>Annuity Savings</u>	<u>DROP</u>
BALANCES, JULY 1, 2005	\$ <u>959,145,929</u>	\$ <u>103,311,265</u>	\$ <u>141,416,611</u>	\$ <u>58,574,777</u>
REVENUES AND TRANSFERS:				
Contributions:				
Members	-	-	17,716,761	-
Employers	-	-	-	-
Investment income and other sources	-	-	-	-
Transfers from Annuity Savings	16,401,167	-	-	-
Pensions transferred from				
Pension Reserve	-	-	-	16,619,736
Operating transfers	-	-	-	-
Actuarial transfers	<u>186,375,560</u>	<u>7,730,932</u>	-	-
Total revenues	<u>202,776,727</u>	<u>7,730,932</u>	<u>17,716,761</u>	<u>16,619,736</u>
EXPENDITURES AND TRANSFERS:				
Retirement allowances paid	103,999,096	2,435,285	-	12,716,871
Refunds to members	-	-	7,070,499	-
Transfers to Pension Reserve	-	-	16,401,167	-
Pensions transferred to DROP	16,619,736	-	-	-
Pensions transferred to IBRP	1,082,626	-	-	-
Transfers to other systems	-	-	12,528	-
Depreciation	-	-	-	-
Administrative expenses	-	-	-	-
Operating transfers	-	-	-	-
Actuarial transfer	-	-	-	-
Total expenditures	<u>121,701,458</u>	<u>2,435,285</u>	<u>23,484,194</u>	<u>12,716,871</u>
NET INCREASE (DECREASE)	<u>81,075,269</u>	<u>5,295,647</u>	<u>(5,767,433)</u>	<u>3,902,865</u>
BALANCES - JUNE 30, 2006	\$ <u><u>1,040,221,198</u></u>	\$ <u><u>108,606,912</u></u>	\$ <u><u>135,649,178</u></u>	\$ <u><u>62,477,642</u></u>

<u>IBRP</u>	<u>Pension Accumulation</u>	<u>Administrative Fund</u>	<u>Surplus (Unfunded) Actuarial Liability</u>	<u>Total</u>
\$ <u>597,489</u>	\$ <u>626,398,551</u>	\$ <u>-</u>	\$ <u>(399,045,300)</u>	\$ <u>1,490,399,322</u>
-	-	-	-	17,716,761
-	43,458,220	-	-	43,458,220
-	84,039,860	-	-	84,039,860
-	-	-	-	16,401,167
1,082,626	-	-	-	17,702,362
-	-	3,276,641	-	3,276,641
-	-	-	30,846,706	224,953,198
<u>1,082,626</u>	<u>127,498,080</u>	<u>3,276,641</u>	<u>30,846,706</u>	<u>407,548,209</u>
808,425	-	-	-	119,959,677
-	-	-	-	7,070,499
-	-	-	-	16,401,167
-	-	-	-	16,619,736
-	-	-	-	1,082,626
-	765,717	-	-	778,245
-	133,430	-	-	133,430
-	-	3,276,641	-	3,276,641
-	3,276,641	-	-	3,276,641
-	224,953,198	-	-	224,953,198
<u>808,425</u>	<u>229,128,986</u>	<u>3,276,641</u>	<u>-</u>	<u>393,551,860</u>
<u>274,201</u>	<u>(101,630,906)</u>	<u>-</u>	<u>30,846,706</u>	<u>13,996,349</u>
\$ <u>871,690</u>	\$ <u>524,767,645</u>	\$ <u>-</u>	\$ <u>(368,198,594)</u>	\$ <u>1,504,395,671</u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF PER DIEM PAID TO TRUSTEES  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

JUNE 30, 2007

<u>TRUSTEE</u>	<u>NUMBER OF MEETINGS</u>	<u>AMOUNT</u>
Jeffrey Faulk	15	\$ 1,125
Betty Crain	16	1,200
Betty Jacobs	8	600
Judith McKee	16	1,200
Larry Wilmer	11	825
Earl Richard	16	1,200
Eugene Rester	8	600
Kathy Landry	16	<u>1,200</u>
TOTALS		<u>\$ 7,950</u>

JUNE 30, 2006

<u>TRUSTEE</u>	<u>NUMBER OF MEETINGS</u>	<u>AMOUNT</u>
Jeffrey Faulk	17	\$ 1,275
Betty Crain	17	1,275
Betty Jacobs	15	1,125
Sylvia Myers	2	150
Judith McKee	17	1,275
Larry Wilmer	16	1,200
Earl Richard	17	<u>1,275</u>
TOTALS		<u>\$ 7,575</u>

The Board holds regular two-day meetings each quarter, and one-day Investment Committee meetings during the months those regular meetings are not held.

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF SHORT TERM INVESTMENTS  
JUNE 30, 2007

Automatic Sweep Vehicles

Northern Trust Collective Government STIF	\$ <u>36,743,121</u>
Total Automatic Sweep Vehicles	<u>36,743,121</u>
U.S. Treasury Bill	<u>328,433</u>
Commercial Paper	<u>31,874,012</u>
Money Market	<u>4,707,533</u>
TOTAL SHORT TERM INVESTMENTS	\$ <u><u>73,653,099</u></u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF U.S. GOVERNMENT AND AGENCY OBLIGATIONS  
JUNE 30, 2007

<u>U.S. Government Obligations</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Fair Value</u>
U S Treasury Bonds	7.250 %	8/15/2022	\$ 2,380,728	\$ 2,366,625
U S Treasury Note	6.000	2/15/2026	3,638,355	3,596,690
U S Treasury Bonds /000B0Ybfv4	4.500	2/15/2036	5,199,127	5,115,906
U S Treasury Note / 000B1B25P1	4.875	8/15/2016	78,319	79,019
U S Treasury Note	4.625	11/15/2009	1,510,905	1,510,743
U S Treasury Note / 000B1R64D8	4.750	2/15/2010	1,058,132	1,051,128
U S Treasury Note / 000B1Scdw7	4.750	2/28/2009	2,113,627	2,103,564
U S Treasury Note / 000B1Wp7T7	4.500	4/30/2012	8,435,310	8,386,148
U S Treasury Note / 000B1Xdgg0	4.500	5/15/2010	7,928,883	7,866,764
U S Treasury Note / 000B1Wvsm5	4.500	5/15/2017	1,444,144	1,447,713
U S Treasury Note / 000B1Y4952	4.750	5/31/2012	436,356	436,564
U S Government TIP	2.375	1/15/2027	2,305,403	2,228,309
U S Government TIPS/000B1N7413	2.375	1/15/2017	5,014,939	5,041,053
<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b>			<b>\$ 41,544,228</b>	<b>\$ 41,230,226</b>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF BONDS  
JUNE 30, 2007

	Interest Rate	Due Date	Par Value	Cost	Fair Value
CORPORATE BONDS:					
AOL Time Warner Inc	7.625 %	4/15/2031	\$ 700,000	\$ 806,545	\$ 749,959
AT&T Inc	6.800	5/15/2036	280,000	300,140	289,996
AT&T Wireless Group	8.125	5/1/2012	700,000	799,382	769,678
Abbot Labs	5.875	5/15/2016	500,000	496,895	500,130
Alcan Inc	6.125	12/15/2033	500,000	534,960	464,575
Allstate Corp	6.125	2/15/2012	4,000,000	4,159,240	4,102,600
Altria Group Inc	7.000	11/4/2013	2,000,000	2,206,680	2,121,300
Altria Group Inc	5.625	11/4/2008	2,000,000	2,122,780	2,001,720
Amerada Hess Corp	6.650	8/15/2011	1,500,000	1,632,315	1,549,800
American General Finance	3.875	10/1/2009	500,000	496,040	483,745
American General Finance	5.750	9/15/2016	720,000	718,855	708,660
American Intl Group	5.450	5/18/2017	965,000	963,967	937,729
Arizona Pub Service Co	5.800	6/30/2014	735,000	730,465	725,261
Assured Guaranty Us Hldg	7.000	6/1/2034	580,000	681,645	617,352
Assured Guaranty Us Hldg	6.400	12/15/2066	890,000	889,094	871,791
Avnet Inc	6.625	9/15/2016	300,000	298,635	303,975
Bre Properties Inc	5.500	3/15/2017	500,000	499,315	480,715
Bank Of America Corp	4.875	1/15/2013	3,000,000	3,014,460	2,900,610
Bank Of America	5.300	3/15/2017	525,000	524,512	501,312
Bellsouth Telecommunication	4.750	11/15/2012	700,000	682,206	668,983
Boeing Co	7.950	8/15/2024	2,300,000	2,300,000	2,831,898
Burlington North Santa Fe	6.125	3/15/2009	4,000,000	4,300,290	4,042,280
Burlington North Santa Fe	6.150	5/1/2037	285,000	284,752	276,994
Cit Group Inc	4.750	12/15/2010	4,000,000	4,028,880	3,879,480
CSX Corp	6.150	5/1/2037	145,000	144,859	139,252
Carolina Power & Light	5.125	9/15/2013	3,000,000	3,046,650	2,905,440
Chesapeake Energy Corp	7.500	9/15/2013	1,500,000	1,635,000	1,526,250
Citigroup Inc	5.125	2/14/2011	765,000	772,053	755,491
Citigroup Inc	6.125	8/25/2036	850,000	886,356	834,632
Cleveland Electric Illum	5.700	4/1/2017	495,000	494,213	477,576
Coca-Cola Enterprises	6.950	11/15/2026	750,000	934,350	810,173
Colonial Realty LP	5.500	10/1/2015	900,000	876,483	865,017
Colorado Interstate Gas	6.800	11/15/2015	485,000	519,178	498,784
Conoco Inc	6.950	4/15/2029	2,000,000	2,313,080	2,182,720
Consol Energy Inc	7.875	3/1/2012	1,500,000	1,599,375	1,552,500
Cox Communications	7.750	11/1/2010	3,500,000	3,997,335	3,722,180
Credit Suisse USA Inc	5.500	8/16/2011	820,000	823,715	819,500
Daimlerchrysler / 0002711902	8.500	1/18/2031	490,000	608,521	619,208
Deere & Co	6.950	4/25/2014	3,000,000	3,370,440	3,215,850
Denbury Resource	7.500	4/1/2013	1,500,000	1,590,850	1,500,000
Dow Chemical	6.000	10/1/2012	4,000,000	4,176,440	4,041,600
Duke Realty Lp	3.350	1/15/2008	600,000	592,320	592,698
Echostar DBS Corp	7.000	10/1/2013	1,500,000	1,511,250	1,477,500
Enterprise Products Oper	8.375	8/1/2066	575,000	592,848	613,669
FTI Consulting Inc	7.750	10/1/2016	500,000	504,469	510,000
Federated Retail Holding	5.900	12/1/2016	675,000	674,541	657,875
Fedex Corp	7.250	2/15/2011	3,000,000	3,394,990	3,154,500
Foundation PA Coal Co	7.250	8/1/2014	1,518,000	1,542,668	1,504,718
General Electric Capital Corp	6.125	2/22/2011	700,000	725,228	713,503
General Electric Capital Corp	6.000	6/15/2012	4,000,000	4,034,720	4,071,320
Goldman Sachs Group Inc	5.300	2/14/2012	700,000	699,244	688,912

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF BONDS  
JUNE 30, 2007

	<u>Interest Rate</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value</u>
CORPORATE BONDS: (Continued)					
Grief Inc	6.750	42767	490,000	490,000	478,975
HSBC Finance Corp	5.700	6/1/2011	700,000	699,307	701,932
Halliburton Company	5.500	10/15/2010	2,500,000	2,554,040	2,497,575
Health Care Reit Inc	6.200	6/1/2016	340,000	343,016	336,841
Hospitality Prop Trust	5.625	3/15/2017	405,000	403,469	386,483
Kerr-Mcgee Corp	6.875	9/15/2011	1,500,000	1,705,530	1,559,100
Kinder Morgan, Inc	7.400	3/15/2031	400,000	438,476	421,668
Kinder Morgan Energy Part/04944550AW6	6.950	1/15/2038	635,000	633,508	641,375
Kraft Foods Inc	6.250	6/1/2012	3,000,000	3,235,020	3,049,050
Lehman Brothers Holdings/000B1MY589	5.250	2/6/2012	480,000	479,491	471,807
Magellan Midstream Partn/000B1W3RB3	6.400	5/1/2037	580,000	577,448	560,471
Marathon Oil Corp	6.125	3/15/2012	3,000,000	2,903,970	3,054,030
Marsh & McLennan Cos Inc	4.850	2/15/2013	3,000,000	3,022,270	2,794,530
Marriot International/000B1Z5Y26	6.375	6/15/2017	545,000	542,280	546,390
Merrill Lynch & Co/000B1P61P1	6.110	1/29/2037	475,000	473,456	445,702
Metlife Inc	5.000	6/15/2015	700,000	651,504	660,898
Morgan Stanley	5.625	1/9/2012	550,000	547,619	548,812
NXP BV/NXP Funding LLC	7.875	10/15/2017	480,000	486,000	472,800
National City Bank	4.500	3/15/2010	1,000,000	1,000,000	978,480
National Semiconductor/000B1YYD50	6.600	6/15/2017	365,000	364,978	371,639
Nevada Power Co/000B0HXL26	5.875	1/15/2015	600,000	583,998	586,110
New Jersey Bell Telephone	7.850	11/15/2029	900,000	1,187,964	987,543
Oneok Inc	5.200	6/15/2015	4,000,000	3,844,440	3,743,520
Oneok Partners LP/000B1FLD38	6.150	10/1/2016	640,000	656,390	638,368
Peabody Energy Corp	6.875	3/15/2013	1,500,000	1,603,125	1,492,500
JC Penney Corp, Inc.	7.400	4/1/2037	385,000	425,336	405,093
Petrohawk Energy Corp	9.125	7/15/2013	1,500,000	1,628,750	1,586,250
Progressive Corp	7.000	10/1/2013	2,200,000	2,616,856	2,352,724
Progressive Corp/0743315AM5	6.700	6/15/2037	680,000	678,157	675,832
Residential Capital Corp/000B0QMS38	6.660	11/21/2008	1,040,000	1,050,462	1,042,777
Reynolds American Inc/000B1L3X27	7.625	6/1/2016	490,000	521,752	518,807
AT&T Inc	5.625	6/15/2016	3,000,000	3,025,470	2,931,990
Senior Housing Trust/0002828200	8.625	1/15/2012	715,000	773,094	765,050
Smithfield Foods Inc/0832248AQ1	7.750	7/1/2017	375,000	375,000	375,000
Sprint Capital Corporation	6.875	11/15/2028	925,000	958,078	880,471
Stingray Pass-Th	5.902	1/12/2015	800,000	799,152	749,568
Suntrust Banks Inc	4.250	10/15/2009	1,000,000	995,780	976,130
TXU Corp	5.550	11/15/2014	1,600,000	1,527,728	1,358,288
Target Corp	4.000	6/15/2013	4,000,000	3,799,120	3,685,760
Target Corp/000B1WRON8	5.375	5/1/2017	455,000	453,781	435,385
UBS Ag Stamford / 000B19G4X6	5.875	7/15/2016	295,000	302,936	298,823
Union Pacific Corp	6.625	2/1/2029	4,500,000	4,986,450	4,547,700
U S Steel Corp	6.050	6/1/2017	1,000,000	998,931	975,210
Valero Energy Corp	7.500	4/15/2032	4,000,000	4,399,080	4,368,280
Ventas Realty Lp / 000B0NKVX6	7.125	6/1/2015	440,000	452,100	443,300
Vodafone Group Plc	5.625	2/27/2017	425,000	423,427	406,381
Washington Mutual Inc	5.000	3/22/2012	1,000,000	995,160	964,140
Weyerhaeuser Company	7.375	3/15/2032	500,000	584,075	507,225
Williams Companies Inc	7.125	9/1/2011	1,500,000	1,603,000	1,537,500
	5.500	5/15/2012	660,000	657,446	648,661
<b>TOTAL CORPORATE BONDS</b>			<b>133,918,000</b>	<b>139,991,649</b>	<b>135,094,355</b>

(Continued)

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF BONDS  
JUNE 30, 2007

	<u>Interest Rate</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value</u>
OTHER NON-UNITED STATES FIXED INCOME:					
Corp Andina De Fomento	5.75	1/12/2017	820,000	817,636	804,994
Gaz Capital / B1TK182	6.51	3/7/2022	1,000,000	1,006,250	986,500
TOTAL OTHER NON-UNITED STATES FIXED INCOME			1,820,000	1,823,886	1,791,494
FOREIGN GOVERNMENT BONDS:					
Republic Of Brazil	6.000	1/17/2017	1,500,000	1,458,750	1,470,000
PRIVATE PLACEMENT/144-A:					
Alfa Mtn Mkts For ABH Financial	8.200	6/25/2012	435,000	435,000	432,825
Amgen Inc / 000B1Y47S1	6.375	6/1/2037	1,315,000	1,313,593	1,286,557
Chukchandsi Eco Dev	8.780	11/15/2012	450,000	462,375	457,875
Cooper Cos Inc	7.125	2/15/2015	260,000	260,000	257,400
Ite Holdings Corp / 0465685AC9	5.875	9/30/2016	555,000	551,803	541,070
Kazkommerts Intl Bv / 048666FAF7	7.500	11/29/2016	280,000	275,190	263,200
Petroplue Finance Ltd / 000B1WICV2	6.750	5/1/2014	495,000	495,000	476,438
Ras Laffan Lng Ji	5.298	9/30/2020	2,480,000	2,480,000	2,317,336
Shimao Property Hldg / 082454XAB2	8.000	12/1/2016	425,000	425,000	426,063
Standard Chartered Plc / 0853254AA8	6.409	12/31/2049	800,000	791,928	762,896
Swiss Re Capital / 000B14NWT4	6.854	5/29/2049	1,400,000	1,473,752	1,408,260
Twin Reefs Pass-Through	3.420	12/10/2049	1,300,000	1,300,000	1,303,432
Unicredito Luxembourg Fin / 090466GAB8	5.584	1/13/2017	470,000	470,000	468,242
Vtb Capital (Vneshtorgbk) / 092909MAC4	6.115	9/21/2007	875,000	876,750	875,297
TOTAL PRIVATE PLACEMENT/144-A			11,540,000	11,610,391	11,276,891
YANKEE BONDS:					
Nexen Inc / 000B1WVOT6	6.400	5/15/2037	125,000	124,450	119,506
TOTAL YANKEE BONDS			125,000	124,450	119,506
COLLATERALIZED MORTGAGE OBLIGATIONS:					
American Home Mortgage Investment	5.408	9/25/2035	545,000	520,177	502,583
Banc Of America Mortgage Securities	4.805	5/25/2035	840,000	835,488	821,724
Banc Of Amer Mortgage Sec	4.729	6/25/2035	1,050,000	1,047,785	1,025,151
Banc Of America Funding Corporation	5.174	7/20/2036	962,677	942,559	952,534
Countrywide Home Loans	5.473	2/25/2047	1,058,440	1,057,613	1,047,807
Countrywide Alternative Loan Trust	5.500	1/25/2036	7,815,349	7,825,119	7,766,893
Citigroup / Deutsche Bank Commercial	5.617	10/15/2048	835,000	856,038	820,070
Citigroup Mortgage Loan Trust, Inc.	7.000	9/25/2033	1,426,944	1,484,464	1,454,905
Citigroup Mortgage Loan Trust Inc	6.500	10/25/2033	1,396,565	1,438,025	1,399,401
Citigroup Mortgage Loan Trust, Inc	6.500	4/25/2035	1,419,713	1,454,319	1,433,947
Deutsche Alt-A Securities Inc Mortgage	5.250	6/25/2035	1,170,000	1,158,759	1,155,235
FNMA - FNR 2002-12 PG	6.000	3/25/2017	868,896	878,942	875,021
FNMA - FNW 2003-W2 2A9	5.900	7/25/2042	716,694	715,098	715,254
Freddie Mac	5.000	9/15/2028	780,000	769,153	758,966



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	Interest				
COLLATERALIZED MORTGAGE OBLIGATIONS:					
(Continued)					
FJLMC - FHR 2633 PC	4.500	7/15/2015	1,290,000	1,260,975	1,266,692
FNMA - FNW 2003-W19 1A5	5.500	11/25/2033	593,962	619,670	590,761
FNMA - FNR 2004-26 PA	4.500	9/25/2025	636,518	639,626	626,092
FNMA - FNR 2004-35 AJ	4.500	1/25/2020	2,382,259	2,415,387	2,358,507
FNMA - FNR 2004-33 MW	4.500	1/25/2030	1,025,000	981,277	962,598
FNMA - FNR 2005-20 QE	5.000	10/25/2030	1,055,000	1,001,920	1,016,450
FHLMC - FHR 2695 BG	4.500	4/15/2032	1,065,000	1,000,518	989,434
FHLMC - FHR 2773 EB	4.500	8/15/2013	988,042	1,007,958	979,963
FHLMC - FHR 2966 NC	5.000	4/15/2031	1,070,000	1,039,070	1,032,125
FHLMC - FHR 3015 EM	5.000	10/15/2033	695,000	661,770	653,466
FHLMC - FHR 3079 MD	5.000	3/15/2034	855,000	824,240	802,783
FHLMC - FHR 3072 NK	5.000	5/15/2031	705,758	684,309	688,198
FHLMC - FHR 3082 PJ	5.000	9/15/2034	1,170,000	1,111,866	1,098,045
FHLMC - FHR 3096 LD	5.000	1/15/2034	1,375,000	1,306,067	1,288,331
FNMA - FNR 2006 - 107 QD	5.000	6/25/2035	1,080,000	994,444	1,003,655
GS Mortgage Securities Corporation Ii	2.904	1/10/2040	280,152	277,472	278,734
LB-UBS Commercial Mortgage Trust	4.394	3/15/2032	1,010,000	989,150	947,794
Morgan Stanley Mortgage Loan Trust	5.500	2/25/2036	535,000	533,412	513,414
Residential Accredit Loans Inc	6.250	3/25/2014	357,511	336,061	355,361
Salomon Brothers Mortgage Securities	6.520	12/25/2030	81,901	83,948	81,605
Structured Asset Investment Loan Trust	4.840	10/25/2033	255,009	261,384	235,799
Structured Asset Securities Corporation	5.560	5/25/2034	524,856	522,559	521,052
Wamu Mortgage Pass-Through Certificates	5.707	6/25/2037	1,064,235	1,064,221	1,058,592
Wachovia Mortgage Loan Trust, Llc	5.238	5/20/2036	978,672	971,791	967,276
Wamu Mortgage Pass-Through Certificates	5.358	3/25/2037	1,583,012	1,579,013	1,568,311
Wamu Mortgage Pass-Through Certificates	5.777	6/25/2047	914,776	914,776	914,483
Wells Fargo Mortgage Backed Sec	5.623	5/25/2036	735,000	728,684	732,933
Wells Fargo Mortgage Backed Securities	5.607	7/25/2036	887,754	877,976	882,760
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS			46,079,695	45,673,083	45,144,705
FEDERAL HOME LOAN MORTGAGE CORPORATION:					
FHLMC G01740	5.500	12/1/2034	6,115,728	6,142,484	5,920,829
FHLMC G01781	6.500	12/1/2034	1,928,112	1,977,520	1,960,793
FHLMC GOLD G01433	6.500	7/1/2032	1,844,256	1,928,401	1,878,298
FHLMC GOLD C78238	5.500	4/1/2033	5,348,027	5,535,208	5,182,754
FHLMC GOLD D88187	7.000	4/15/2028	183,439	185,588	189,601
FHLMC GOLD D88413	7.000	4/15/2028	58,814	59,503	60,800
FHLMC GOLD E73765	6.000	12/15/2013	378,976	380,515	382,408
FHLMC GOLD W10004	6.900	12/1/2010	1,215,000	1,373,567	1,269,335
FHLMC A41332	6.500	1/1/2036	916,962	938,166	927,691
FHLMC A41366	6.500	1/1/2036	1,172,395	1,206,834	1,186,114
FHLMC GOLD A45496	5.500	6/1/2035	2,545,699	2,584,283	2,461,005
FHLMC G01829	6.000	3/1/2035	731,058	748,649	726,819

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	<u>Interest</u> <u>Rate</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value</u>
FEDERAL HOME LOAN MORTGAGE CORPORATION:					
(Continued)					
FHLMC G02090	6.500	2/1/2036	1,489,036	1,520,445	1,511,833
FHLMC G02196	6.500	5/1/2036	1,473,850	1,493,195	1,489,698
FGLMC GOLD G08006	6.000	8/1/2034	1,281,075	1,326,313	1,273,647
FHLMC GOLD G08070	6.500	7/1/2035	1,070,905	1,103,701	1,083,436
FHLMC G08162	6.500	11/1/2036	2,319,933	2,367,056	2,344,878
FHLMC 1G1309	5.823	10/1/2036	990,050	991,248	987,833
FHLMC 1Q0020	5.344	12/1/2035	13,728	13,732	13,565
FHLMC GOLD C00844	7.000	8/15/2029	159,729	161,526	165,143
FHLMC GOLD C00690	6.000	12/1/2028	664,520	665,766	663,436
FHLMC GOLD C01798	6.000	3/1/2034	961,794	1,003,722	956,217
FHLMC GOLD C01410	6.000	10/1/2032	1,730,517	1,775,673	1,725,298
FHLMC C01598	5.000	8/1/2033	6,427,200	6,359,916	6,056,104
FHLMC GOLD C01583	6.000	6/1/2033	1,632,942	1,691,116	1,626,020
FHLMC C01585	5.000	7/1/2033	6,806,307	6,735,054	6,413,321
FHLMC GOLD C01848	6.000	6/1/2034	2,968,057	3,047,968	2,950,848
FHLMC B16444	5.500	9/1/2019	1,425,493	1,447,989	1,407,208
FHLMC A34083	6.000	2/1/2035	1,336,971	1,373,946	1,329,219
FHLMC G11880	5.000	12/1/2020	786,876	753,311	761,040
TOTAL FEDERAL HOME LOAN MORTGAGE CORPORATION			<u>55,977,449</u>	<u>56,892,395</u>	<u>54,905,191</u>
FEDERAL NATIONAL MORTGAGE ASSOCIATION:					
FNMA 250200	9.000	1/1/2025	10,102	10,166	10,957
FNMA 251901	6.500	8/1/2013	137,262	138,205	140,454
FNMA 254478	6.000	10/1/2032	830,810	857,422	826,959
FNMA 255311	6.000	7/1/2034	2,653,554	2,724,868	2,634,090
FNMA 256674	6.000	4/1/2037	1,517,845	1,502,192	1,501,592
FNMA 299371	9.000	12/1/2024	17,110	17,219	18,558
FNMA 303890	7.000	5/1/2026	264,399	259,276	273,981
FNMA 303945	7.000	12/1/2010	93,259	92,618	94,162
FNMA 381480	6.350	4/1/2009	1,342,970	1,361,699	1,353,584
FNMA 384369	5.700	10/1/2008	1,467,994	1,467,191	1,472,036
FNMA 383632	6.305	5/1/2011	1,166,137	1,348,483	1,188,698
FNMA 384797	6.090	2/1/2012	1,648,920	1,676,230	1,686,465
FNMA 408933	6.500	7/1/2013	43,731	44,032	44,749
FNMA 433213	6.500	7/1/2013	54,335	54,709	55,599
FNMA 434075	6.500	7/1/2013	71,875	72,369	73,546
FNMA 449149	6.000	12/1/2028	381,995	355,614	380,765
FNMA 481539	6.000	1/1/2029	258,719	240,851	257,886
FNMA 535126	6.000	12/1/2028	586,021	533,188	584,133
FNMA 535838	6.500	4/1/2031	258,227	263,795	263,330
FNMA 545259	7.500	12/1/2029	507,882	526,689	531,530
FNMA 545527	6.114	2/1/2012	1,366,475	1,420,920	1,398,143
FNMA 555592	5.500	7/1/2033	9,247,651	9,123,386	8,959,975
FNMA 555783	4.500	10/1/2033	3,145,126	2,904,327	2,869,141
FNMA 596449	6.500	6/1/2031	379,168	387,581	386,542

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	Interest				
	Rate	Due Date	Par Value	Cost	Fair Value
FEDERAL NATIONAL MORTGAGE ASSOCIATION:					
(Continued)					
FNMA 602064	7.000	9/1/2031	242,019	247,162	250,840
FNMA 613152	6.500	11/1/2031	357,905	358,073	364,865
FNMA 628038	6.500	2/1/2032	564,424	573,067	574,421
FNMA 631381	6.500	3/1/2032	396,756	402,149	404,471
FNMA 631382	7.000	3/1/2032	320,866	328,687	332,363
FNMA 660229	6.000	9/1/2032	2,302,894	2,358,487	2,292,219
FNMA 688360	6.000	3/1/2033	1,206,339	1,240,267	1,200,747
FNMA 689634	6.000	2/1/2033	1,170,422	1,215,594	1,164,997
FNMA 708633	6.000	6/1/2033	1,311,643	1,353,657	1,303,952
FNMA 725372	7.534	12/1/2010	811,813	973,242	851,181
FNMA 725690	6.000	8/1/2034	1,072,382	1,099,862	1,064,516
FNMA 735502	6.000	4/1/2035	2,603,445	2,656,328	2,584,349
FNMA 745592	5.000	1/1/2021	811,355	786,507	787,103
FNMA 745713	5.558	6/1/2036	1,579	1,576	1,567
FNMA 745772	5.874	7/1/2036	963,451	969,624	963,578
FNMA 745936	6.075	8/1/2016	1,697,069	1,791,601	1,759,703
FNMA 790353	5.500	7/1/2034	1,978,210	1,987,174	1,915,273
FNMA 836133	5.375	9/1/2035	739,415	744,700	724,340
FNMA 835504	4.999	8/1/2035	861,131	830,688	834,341
FNMA 852652	6.000	3/1/2036	2,376,028	2,393,848	2,351,930
FNMA 870545	5.502	3/1/2036	1,004,243	999,968	994,434
FNMA 872572	5.699	5/1/2036	706,399	706,425	704,441
FNMA 886396	6.500	8/1/2036	1,815,421	1,837,617	1,833,077
FNMA 891475	6.500	4/1/2036	2,051,169	2,079,693	2,071,119
FNMA 891600	6.000	6/1/2036	2,212,683	2,216,744	2,190,241
FNMA 897538	6.000	1/1/2037	2,948,366	2,975,547	2,918,462
FNMA 915212	6.000	4/1/2037	1,483,784	1,496,072	1,467,895
TOTAL FEDERAL NATIONAL MORTGAGE ASSOCIATION			61,462,778	62,007,389	60,913,300
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION:					
GNMA 574582	6.000	9/15/2034	2,406,694	2,500,705	2,398,230
GNMA 371693	7.000	3/15/2024	243,446	250,026	253,698
GNMA 408175	7.000	12/15/2025	26,079	26,181	27,201
GNMA 408844	7.000	11/15/2025	31,648	31,772	33,010
GNMA 423825	8.000	6/15/2026	52,010	52,465	55,167
GNMA 426366	7.000	1/15/2026	34,630	34,765	36,118
GNMA 429363	6.500	3/15/2026	237,256	240,147	241,954
GNMA 460758	7.000	2/15/2028	64,772	65,733	67,522
GNMA 462543	7.000	2/15/2028	83,377	84,614	86,918
GNMA 462554	7.000	2/15/2028	52,371	53,148	54,595
GNMA 465526	6.500	5/15/2028	282,263	280,411	288,359
GNMA 486877	6.000	1/15/2029	2,023,884	2,005,543	2,020,782
GNMA 196068	8.000	4/15/2017	25,418	23,941	26,741
GNMA 238006	8.000	2/15/2018	53,099	50,078	55,951

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	<u>Interest Rate</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value</u>
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION: (Continued)					
GNMA 293329	9.500	8/15/2020	3,577	3,574	3,902
GNMA 288373	9.000	5/15/2020	4,712	4,697	5,068
GNMA 306559	8.500	1/15/2022	45,541	45,100	49,011
GNMA 319273	8.500	11/15/2021	102,995	102,013	110,701
GNMA 780601	7.000	7/15/2027	82,902	84,133	86,462
GNMA 781288	6.500	5/15/2031	365,619	371,960	373,313
GNMA 80312	3.500	8/20/2029	178,448	182,352	180,225
GNMA 619090	5.500	9/15/2034	947,882	967,729	921,534
<b>TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>			<b>7,348,623</b>	<b>7,461,087</b>	<b>7,376,462</b>
OTHER ASSET BACKED SECURITIES:					
Banc Of America Commercial Mortgage, Inc.	4.811	12/10/2042	1,045,000	997,159	986,595
Banc Of America Commercial Mortgage Inc.	5.304	6/10/2039	1,205,000	1,222,322	1,186,961
Banc Of America Commercial Mortgage Inc.	5.451	1/15/2049	890,000	900,882	860,888
Bear Stearns Commercial Mtge Securities	4.933	2/13/2042	470,000	472,583	444,987
Bear Stearns Commercial Mortgage Sec	4.715	2/11/2041	5,580,000	5,441,590	5,275,035
Commercial Mortgage Pass-Through	5.306	12/10/2046	995,000	974,983	954,394
Home Equity Asset Trust	6.430	6/25/2033	105,800	108,974	10,447
CS First Boston Mortgage Securities	3.936	5/15/2038	1,485,000	1,346,361	1,357,483
Credit Suisse Mortgage Capital	5.467	9/15/2039	1,110,000	1,115,940	1,076,989
GE Capital Commercial Mortgage Corp	5.894	12/10/2049	1,000,000	985,547	971,420
Jp Morgan Chase Commercial Mortgage	5.814	6/12/2043	890,000	894,389	887,241
Jp Morgan Chase Commercial Mortgage	5.440	6/12/2047	790,000	798,733	763,409
Lb-Ubs Commercial Mortgage Trust	4.931	9/15/2035	665,000	664,039	639,378
Master Abs Nim Trust	5.191	9/26/2034	11,414	11,410	11,223
Mastr Asset Backed Securities Trust	5.646	10/25/2032	1,000,000	999,941	951,750
Merrill Lynch Mortgage / 059023BAC8	5.844	5/12/2039	345,000	352,318	345,114
Morgan Stanley Capital I	5.561	3/12/2044	1,385,000	1,381,759	1,352,660
Morgan Stanley Capital I / 000B020B15	5.270	6/13/2041	6,100,000	6,119,044	5,941,339
Morgan Stanley Capital I	4.850	6/13/2041	5,185,000	5,226,115	5,074,145
Morgan Stanley Mortgage Loan Trust	5.798	10/25/2036	515,000	515,000	511,841
Option One Mortgage Loan Trust	7.020	8/25/2032	75,016	75,356	75,096
Structured Asset Investment Loan Trust	8.070	2/25/2034	152,120	153,807	151,777
Lehman XS Trust	5.110	7/25/2035	570,000	544,817	525,431
<b>TOTAL OTHER ASSET BACKED SECURITIES</b>			<b>31,569,350</b>	<b>31,303,069</b>	<b>30,355,603</b>
PRIVATE MORTGAGE-BACKED SECURITIES:					
Fremont Nim Trust	5.500	4/25/2035	113,965	113,537	111,985
Greenwich Cap Commercial Funding Corp	2.310	7/5/2035	726,534	694,777	717,968
LB-UBS Commercial Mortgage Trust	4.568	1/15/2031	1,155,000	1,117,372	1,082,050
Wachovia Bank Commercial Mortgage Trust	8.200	3/15/2015	1,500,000	1,502,578	1,498,155
<b>TOTAL PRIVATE MORTGAGE-BACKED SECURITIES</b>			<b>3,495,499</b>	<b>3,428,264</b>	<b>3,410,158</b>

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	Interest				
	<u>Rate</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value</u>
MORTGAGE TBA'S WITH INTEREST ACCRUAL:					
FNMA TBA-INT 5% 01F050676	5.000	7/1/2037	720,000	674,803	674,550
FHLMC TBA-INT 5.5%	5.500	7/1/2037	7,730,000	7,500,672	7,454,619
FNMA TBA-INT 5.5% 01F052474	5.500	7/1/2022	975,000	963,727	960,375
FNMA TBA-INT 5% 01F050478	5.000	7/1/2022	3,465,000	3,339,209	3,348,056
FNMA TBA-INT 5% 01F050486	5.000	7/1/2022	410,000	393,792	393,793
TOTAL MORTGAGE TBA'S WITH INTEREST ACCRUAL			<u>13,300,000</u>	<u>12,872,203</u>	<u>12,831,393</u>
MORTGAGE BACKED TBA SECURITIES:					
FNMA TBA-INT 5% 01F050478 / 000B01NSF8		7/25/2022	7,435,000	7,139,923	7,184,070
FHLMC TBA-INT 6% 02R060670 / 000B1NQ76		7/15/2037	<u>8,515,000</u>	<u>8,470,430</u>	<u>8,435,173</u>
TOTAL MORTGAGE BACKED TBA SECURITIES			<u>15,950,000</u>	<u>15,610,353</u>	<u>15,619,243</u>
TOTAL BONDS			<u>\$ 384,086,394</u>	<u>\$ 390,256,969</u>	<u>\$ 380,308,301</u>

STATE OF LOUISIANA  
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FIXED INCOME FUNDS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Evergreen International Bond Trust	545,324	\$ 5,500,000	\$ 5,704,413
Evergreen Selective High Yield Bond	162,500	1,625,000	1,808,917
First Trust/Fidac Mortg Incm	14,000	223,538	232,120
Mfs Charter Income Trust	26,000	218,007	220,220
Mfs Multimarket Inc Trust	37,300	218,569	221,562
Mfs Intermed. Income Trust	71,900	440,879	434,995
Mfs Gov't Markets Inc Trust	22,473	142,932	149,446
Mfc Putnam Premier Income Trust	71,900	437,463	474,540
Putnam Master Int Income Trust	72,000	434,722	475,200
Mfc Westn Asst/Claymore Us Treasury	20,000	238,312	227,400
Mfs Westn Asset/Claymore Us Tips	<u>29,000</u>	<u>337,149</u>	<u>334,660</u>
	<u>1,072,397</u>	<u>\$ 9,816,571</u>	<u>\$ 10,283,473</u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
ABX Air Inc.	26,600	\$ 168,764	\$ 214,396
Ace Ltd.	8,414	334,638	526,043
Aflac Inc.	13,421	379,314	689,839
AGCO Corp	16,100	314,903	698,901
AGL Resources Inc.	14,500	373,958	586,960
AES Corporation	17,839	397,481	390,317
AT&T Inc	247,260	6,506,186	10,261,290
Atmi Inc.	22,044	644,433	661,320
Abbott Labs	82,712	3,543,520	4,429,228
Abercrombie & Fitch Co - Cl A	2,400	182,856	175,152
Accuride Corp.	15,800	175,068	243,478
Actuant Corp. - Cl A	700	35,532	44,142
Addvantage Technologies Group	2,400	9,651	12,240
Adobe Systems Inc	16,062	276,192	644,889
Advance Auto Parts	25,400	951,638	1,029,462
Advanced Micro Devices Inc.	15,071	269,808	215,515
Advanta Corp	6,150	88,417	174,722
Advanced Energy Industries	5,300	106,666	120,098
Aerovironment Inc.	44,000	955,651	906,840
Aetrium Inc.	3,300	13,732	14,652
Aetna Inc	14,108	211,285	696,935
Affiliated Computer Svcs	3,200	169,268	181,504
Affiliated Managers Group	5,489	211,170	706,764
Affirmative Insurance Holdings	5,900	84,187	89,975
Aftermarket Technology Corp.	9,100	122,743	270,088
Agilent Technologies Inc.	10,854	333,714	417,228
Agilysys Inc.	13,200	189,133	297,000
Air Products & Chemical	5,764	239,040	463,253
Air T Inc.	1,100	9,862	11,011
Albany Intl Corp. - Cl A	1,200	39,841	48,528
Alcoa Inc	173,307	5,051,221	7,024,133
Aldila Inc.	2,500	38,164	38,550
Alexza Pharmaceuticals Inc.	69,900	639,034	578,073
Alfa Corporation	22,676	320,583	353,065
Allegheny Energy Inc.	4,088	143,148	211,513
Allegheny Technologies Inc	2,853	120,139	299,223
Allergan Inc	8,576	234,224	494,320

(Continued)

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Allied Waste Industries, Inc.	5,902	87,252	79,441
Allstate Corp	48,719	2,264,241	2,996,706
Alltel Corp	9,496	388,770	641,455
Alon Usa Energy Inc.	4,800	132,865	211,248
Alpha Natural Resources Inc.	23,500	479,339	488,565
Altera Corporation	9,712	316,349	214,927
Altria Group Inc	126,263	5,375,538	8,856,087
Amazon.Com Inc.	8,630	396,960	590,378
Ambac Inc	2,695	154,403	234,977
Amedisys Inc.	25,648	845,950	931,792
Ameren Corp	5,089	219,065	249,412
American Axle & Mfg Holdings	14,800	362,142	438,376
American Commercial Lines	42,336	890,464	1,102,853
American Electric Power	11,318	420,064	509,763
American Equity Investment Life Holding	92,900	1,211,738	1,122,232
American Express Co	82,196	2,989,201	5,028,751
American Greetings Corporation	17,500	337,150	495,775
American International Group	156,556	9,423,173	10,963,617
American Medical Systems Holdings	54,400	1,061,973	981,376
Amer Natl Bnks/Danville Va	2,245	50,652	50,513
American Reprographics Co.	32,400	1,061,441	997,596
American Standard Companies	4,766	119,630	281,099
American Tech Ceramics Corp.	1,850	27,844	44,160
Americredit Corp	14,600	346,668	387,630
Ameristar Casinos Inc.	25,800	823,969	896,292
Ameron International Corp	3,600	102,650	324,684
Amerisourcebergen Corp.	36,400	1,761,543	1,800,708
Amerigroup Corp.	8,000	200,117	190,400
Ameriprise Financial Inc	6,579	109,630	418,227
Amgen, Inc.	38,833	1,543,230	2,147,073
Ampco-Pittsburgh Corp.	2,400	59,070	96,216
Anadarko Petroleum Corporation	12,654	312,147	657,881
Analog Devices	8,966	273,898	337,480
Anchor Bancorp Wisconsin Inc.	9,500	228,063	248,805
Anheuser Busch Co Inc	20,862	667,443	1,088,162
Anixter International Inc.	2,600	141,447	195,546

(Continued)



STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Aon Corp	8,018	253,616	341,647
Apache Corporation	94,285	5,803,810	7,692,713
Apartment Investment And Mana	2,380	86,812	120,000
Apollo Group Inc.	4,048	181,356	236,525
Apollo Investment Corp.	38,906	667,073	837,257
Apple Computer, Inc.	39,046	1,436,299	4,765,174
Apria Healthcare Group Inc.	19,200	560,392	552,384
Applera Corp. - Applied Biosy	5,000	111,591	152,700
Applied Industrial Tech Inc.	3,800	103,401	112,100
Applied Materials Inc.	37,738	528,188	749,854
Archer - Daniels - Midland Co.	17,845	334,067	590,491
Archstone-Smith Trust	6,100	267,190	360,571
Arctic Cat Inc.	3,500	67,560	69,300
Argonaut Group Inc.	5,006	123,012	156,237
Arkansas Best Corp.	9,400	365,829	366,318
Arrow Financial Corp.	4,257	106,008	93,697
Arvinmeritor Inc.	27,400	456,361	608,280
Asbury Automotive Group	15,200	193,255	379,240
Ashland Inc	2,231	94,606	142,672
Asset Acceptance Capital	14,880	292,381	263,376
Assurant Inc.	2,800	156,065	164,976
Astoria Financial Corp.	2,600	68,841	65,104
Atheros Communications	23,900	655,078	737,076
Atmos Energy Corp.	21,700	573,057	652,302
Atwood Oceanics Inc.	6,402	194,036	439,305
Autodesk Inc	6,272	71,700	295,286
Automatic Data Processing Inc	15,068	451,604	730,346
Autonation Inc.	4,805	65,008	107,824
Autozone Inc.	17,344	1,620,725	2,369,537
Avalonbay Communities Inc.	2,200	284,479	261,536
Avaya Inc.	13,147	165,378	221,395
Avery Dennison Corp.	2,602	123,976	172,981
Avis Budget Group Inc	8,780	212,862	249,615
Avon Prods Inc Com	12,012	251,019	441,441
Bb&T Corporation	14,146	484,903	575,459
B&G Foods Inc. - Class A	27,100	354,009	357,720

(Continued)

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Bj Services Co.	8,018	159,291	228,032
Bj's Wholesale Club Inc.	7,900	134,133	284,637
Bmc Software	5,917	267,932	179,285
Btu International Inc.	2,500	25,056	34,475
Baker Hughes Inc.	35,998	2,138,068	3,028,512
Ball Corporation	2,892	37,046	153,768
Bancfirst Corp.	3,700	104,073	158,434
Bancorpsouth Inc.	2,100	45,074	51,366
Bank Of America Corp	180,409	6,502,083	8,820,196
Bank Of New York Inc.	20,657	620,706	856,026
Bard C R Inc.	2,640	57,393	218,143
Bare Escentuals Inc.	27,970	1,020,905	955,176
Barnes Group Inc.	30,900	729,353	978,912
Barr Laboratories Inc.	2,900	193,765	145,667
Bausch & Lomb Inc	1,350	57,101	93,744
Baxter International	17,755	611,545	1,000,317
Bear Stearns Cos. Inc.	3,090	199,707	432,600
Beazer Homes Usa Inc.	1,700	14,886	41,939
Becton Dickinson & Co	6,460	188,520	481,270
Bed Bath & Beyond Inc.	7,489	177,490	269,529
Belo A. H. Corporation	17,600	308,287	362,384
Bemis Co.Inc.	2,694	58,775	89,387
Benchmark Electronics Inc.	22,200	468,867	502,164
Best Buy Company Inc.	10,959	271,986	511,457
Big 5 Sporting Goods Corp.	10,300	207,230	262,650
Big Lots Inc.	2,961	91,384	87,112
Biomet Inc.	7,744	162,359	354,056
Biomarin Pharmaceutical Inc.	32,300	546,752	579,462
Biogen Idec Inc	45,694	2,255,470	2,444,629
Black & Decker Corporation	2,068	84,108	182,625
Black Hills Corp.	5,900	214,324	234,525
H & R Block	8,886	105,656	207,666
Blount International Inc.	7,500	92,957	98,100
Bluegreen Corp.	10,300	36,244	120,407
Bluelinx Holdings Inc.	14,000	182,339	146,860
Blyth Inc.	500	13,456	13,290

(Continued)

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Boeing Co.	38,725	1,976,659	3,723,796
Boston Properties Inc.	3,400	330,015	347,242
Boston Scientific Corp	127,049	2,764,957	1,948,932
Brigham Exploration Co.	19,400	159,061	113,878
Bristol - Myers Squibb Co	53,863	1,379,487	1,699,916
Bristow Group Inc	10,800	359,749	535,140
Broadcom Corp.	82,890	3,624,256	2,424,533
Brocade Communications Sys.	83,395	836,030	671,330
Brocade Communications Systems	55,379	436,127	433,064
Brown-Forman Corp - Cl B	2,456	69,967	179,484
Brunswick Corporation	2,390	65,797	77,986
Buckle Inc	9,900	209,485	390,060
Builders Firstsource Inc.	13,200	226,825	211,992
Building Material Holding Corp	12,000	69,230	170,280
Burlington Northern Santa Fe	44,814	3,106,312	3,815,464
Cbs Corp - Class B	20,368	640,816	678,662
Cca Industries Inc.	1,200	11,886	10,836
Cbri Group Inc.	9,700	352,468	412,056
Cb Richard Ellis Group Inc. - A	5,100	160,459	186,150
Cbre Realty Finance Inc.	36,600	531,502	435,174
C.H. Robinson Worldwide Inc.	4,800	244,656	252,096
Cigna Corp	7,868	145,978	410,867
Cit Group Inc.	5,300	212,424	290,599
Cms Energy Corp	5,255	137,777	90,386
Css Industries, Inc.	4,500	134,830	178,245
Cna Surety Corp	19,300	263,493	364,963
Csx Corporation	36,625	1,261,428	1,651,055
Cvb Financial Corp.	24,900	303,042	276,888
Cvs Corp	42,227	804,974	1,539,174
Ca Inc	11,287	312,101	291,543
Cabot Oil & Gas Corp. - Cl A	16,318	381,471	601,808
Cadence Financial Corp.	4,100	82,392	79,868
Callon Petroleum Corp.	8,900	139,129	126,113
Camden National Corp.	3,000	80,489	117,420
Cameron International Corp.	28,835	1,459,873	2,060,837
Campbell Soup	5,412	206,215	210,040

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Capital One Financial Corp.	11,316	708,643	887,627
Cardinal Health Inc.	10,503	517,671	741,932
Carnival Corp	11,943	442,776	582,460
Caterpillar Inc.	38,068	1,788,535	2,980,724
Cathay General Bancorp	8,100	274,674	271,674
Cato Corp. - Cl A	11,600	265,873	254,504
Celgene Corp.	44,561	2,316,865	2,554,682
Centerpoint Energy Inc	7,748	153,210	134,815
Centex Corporation	3,258	48,103	130,646
Centurytel Inc	3,030	119,912	148,622
Ceradyne Inc.	14,164	520,274	1,047,569
Charming Shoppes Inc.	48,435	562,696	524,551
Chemical Financial Corp.	10,582	330,251	273,756
Chesapeake Energy Corp.	10,700	344,095	370,220
Chevrontexaco Corp.	137,029	6,784,180	11,543,323
Chicago Bridge & Iron - Ny Shr	20,813	392,964	785,483
Chicago Mercantile Exchange	937	444,699	500,695
Chico's Fas Inc.	30,025	673,358	730,809
Chipotle Mexican Grill - Cl A	8,200	475,189	699,296
Chubb Corp	10,490	358,537	567,929
Ciena Corp	22,164	814,088	800,785
Cincinnati Bell Inc.	18,500	86,537	106,930
Cincinnati Financial Corp.	4,494	177,192	195,040
Circuit City Stores - Circuit	3,755	40,125	56,625
Cisco Systems, Inc.	331,669	6,384,943	9,236,982
Cintas Corp.	4,024	155,216	158,666
Citigroup Inc.	192,381	6,941,078	9,867,221
Citizens Banking Corp. Mich	26,053	691,931	476,770
Citizens Communications Co.	8,189	111,894	125,046
Citrix Systems Inc.	4,593	175,037	154,646
City Bank Lynnwood Wa	5,400	171,863	170,154
Clear Channel Communications	13,577	698,172	513,482
Clorox Company	4,097	146,510	254,424
Coach Inc.	10,700	258,273	507,073
Coca-Cola Company Com	84,597	4,410,992	4,425,269
Coca-Cola Enterprises	8,867	259,074	212,808

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Cognizant Tech Solutions - A	3,900	312,936	292,851
Coldwater Creek Inc.	54,855	1,096,649	1,274,282
Colgate-Palmolive	14,047	610,140	910,948
Columbia Banking System Inc.	5,846	63,900	170,996
Columbia Sportswear Co.	3,300	150,239	226,644
Comcast Corp	85,110	1,859,188	2,393,293
Comerica, Inc.	4,443	202,120	264,225
Comforce Corporation	5,600	14,644	15,064
Commerce Bancorp Inc. Nj	5,000	197,831	184,950
Commerce Group Inc	30,200	435,078	1,048,544
Commercial Vehicle Group Inc.	9,800	181,477	182,574
Community Bank System Inc.	13,700	277,726	274,274
Community Banks Inc.	1,900	46,399	61,218
Community Trust Bancorp Inc.	5,123	88,879	165,473
Compass Bancshares Inc.	3,100	151,032	213,838
Computer Sciences Corp	4,649	178,998	274,988
Compuware Corp.	8,489	221,500	100,680
Conagra Inc	13,621	312,306	365,860
Con-Way Inc.	13,900	665,029	698,336
Conn's Inc.	10,900	252,593	311,304
Conocophillips	118,670	6,128,741	9,315,595
Conseco Inc.	22,500	400,466	470,023
Consol Energy Inc.	5,000	221,366	230,550
Consolidated Edison Inc	7,763	282,993	350,267
Constellation Brands Inc. - A	5,100	152,439	123,828
Constellation Energy Group	4,694	157,798	409,176
Convergys Corp.	3,753	143,726	90,973
Cooper Industries Ltd	4,730	105,244	270,036
Corn Products Inc.	16,138	732,134	733,472
Corning, Inc.	187,007	4,318,588	4,778,029
Corrections Corp. Of America	16,762	484,687	1,057,850
Corus Bankshares Inc	22,900	225,157	395,254
Costco Wholesale Corp	12,269	326,927	717,982
Countrywide Credit Inds., Inc.	16,113	260,571	585,708
Coventry Health Care Inc	4,140	221,977	238,671
Craftmade International Inc.	2,156	43,405	36,889
Crane Company	11,100	451,315	504,495

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Crocs, Inc.	33,700	1,444,687	1,450,111
Cubist Pharmaceuticals Inc.	67,597	1,234,403	1,332,337
Cummins Inc.	2,906	101,052	294,116
Cymer Inc.	10,773	489,845	433,075
Cytec Industries Inc	15,669	822,715	999,212
D. R. Horton, Inc.	7,100	266,286	141,503
Dte Energy Company	4,360	157,009	210,239
Daktronics Inc.	48,600	1,234,950	1,043,928
Danaher Corp.	6,452	186,208	487,126
Darden Restaurants Inc.	3,869	41,614	170,197
Dealertrack Holdings Inc.	34,400	997,586	1,267,296
Dean Foods Co.	22,462	871,790	715,864
Deere & Co Com	6,172	325,796	745,207
Del Monte Foods Co.	62,900	667,856	764,864
Dell Inc	182,447	4,187,810	5,208,862
Delphi Financial Group	19,450	479,255	813,399
Deluxe Corp	23,400	908,044	950,274
Developers Deiversified Rlty	3,500	222,215	184,485
Devon Energy Corporation	12,208	331,489	955,764
Diamond Management & Technol	69,355	713,220	915,486
Digital River Inc.	25,700	1,317,581	1,162,925
Dime Community Bancshares	13,700	190,606	180,703
Dillards Inc	1,650	46,019	59,285
Directv Group Inc	21,100	478,759	487,621
Disney Co	54,225	1,345,365	1,851,242
Dollar General Corporation	8,460	168,261	185,443
Dominion Resources Inc/Va	9,583	511,723	827,109
Donegal Group Inc.	1,933	13,554	28,802
Donegal Group Inc. - CI B	966	6,451	15,862
Donnelley R R & Sons Company	5,474	177,217	238,174
Dorman Products Inc	4,500	18,771	62,190
Dover Corp.	38,880	1,794,376	1,988,712
Dow Chemical	26,022	835,522	1,150,693
Dow Jones & Co., Inc.	2,164	99,291	124,322
Downey Financial Corp.	11,800	440,230	778,564
Dupont (Ei) De Nemours & Co.	50,277	2,377,194	2,556,081

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Ducommun Inc.	2,900	55,057	74,617
Duke Energy Corp	34,446	520,777	630,362
Dynamics Research Corp.	1,400	21,458	18,242
Dynegy Inc - Cl A	9,642	359,858	91,020
Emc Corp/Mass	57,370	772,204	1,038,397
Emc Ins Group Inc.	3,780	107,779	93,820
Enesco International Inc.	4,100	198,645	250,141
Eog Resources Inc	6,312	144,008	461,155
E*Trade Group Inc.	12,700	212,616	280,543
Earthlink Inc.	6,500	61,431	48,555
Eastman Chemical Company	1,963	108,011	126,280
Eastman Kodak Co Com	7,866	461,020	218,911
Eaton Corporation	3,784	140,439	351,912
Ebay Inc.	74,230	1,761,397	2,388,721
Ecolab Inc	5,665	83,419	241,896
Edison International	8,964	199,685	503,060
Efunds Corp.	13,400	465,642	472,886
Einstein Noah Restaurant Group	37,300	658,626	629,996
El Paso Corporation	20,396	548,851	351,423
Electronic Arts Inc.	87,576	4,228,497	4,144,096
Electronic Data Systems Corp	13,833	542,324	383,589
Embarq Corp	3,983	184,638	252,403
Emerson Elec Co	68,682	2,601,158	3,214,318
Emerson Radio Corp.	6,700	21,405	19,765
Encore Acquisition Co.	8,850	138,775	246,030
Energen Corp.	2,100	72,775	115,374
Ennis Business Forms	9,600	190,454	225,792
Entergy Corp	5,927	221,080	636,263
Equifax, Inc.	3,576	70,009	158,846
Equity Residential	8,613	278,896	393,011
Ethan Allen Interiors Inc.	14,400	484,293	493,200
Evercore Partners, Inc. - Cl A	29,700	768,663	884,169
Exelon Corporation	18,448	513,164	1,339,325
Express Scripts Inc.	39,518	1,506,750	1,976,295
Expressjet Holdings Inc.	24,600	291,780	147,108
Exxon Mobil Corporation	154,115	3,969,307	12,927,166

(Continued)

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
FBLFinancial Group Inc.	12,700	307,515	499,364
FMC Corp	6,900	430,363	616,791
FNB Corp/North Carolina	2,574	50,771	41,158
FNB Corp.	19,900	348,470	333,126
FPL Group Inc	45,561	1,716,679	2,585,131
FNA Corporation/Va	3,112	82,285	111,721
FTI Consulting Inc.	39,700	1,105,842	1,509,791
Family Dollar Stores, Inc.	4,163	117,876	142,874
Federal Home Loan Mortgage Corporation	18,134	871,566	1,100,734
Federal National Mortgage Association	51,311	2,842,525	3,352,148
Federated Investors Inc.	2,766	76,080	106,021
Fedex Corporation	24,450	2,183,920	2,713,217
F5 Networks Inc.	14,200	1,025,067	1,144,520
Fidelity National Information Services	4,500	185,940	244,260
Fifth Third Bancorp.	16,416	703,725	652,864
Financial Federal Corp.	6,700	180,807	199,794
Finlay Enterprises Inc.	3,800	49,265	20,406
The Finish Line - CI A	15,900	189,200	144,849
Commer Banks - Southern Us	4,977	102,536	93,219
First Charter Corp.	7,300	159,577	142,131
First Community Bancshares	4,772	149,362	148,839
First Consulting Group Inc.	10,000	93,285	95,000
First Data Corp.	20,574	365,489	672,153
First Defiance Finl Corp.	3,200	89,466	95,424
First Financial Service Corp	1,821	38,282	51,789
First Financial Holdings Inc.	5,500	160,672	179,905
First Horizon National Corp	3,203	124,525	124,917
First M & F Corp.	3,200	53,225	59,616
First Merchants Corp.	6,300	151,566	151,389
First Midwest Bancorp Inc./IL	3,400	123,592	120,734
First Mutual Bancshares Inc.	1,371	9,868	30,477
First Place Financial/Ohio	7,400	166,545	156,288
1st Source Corp.	1,400	36,071	34,888
First United Corp.	2,600	55,996	51,610
Firstbank Corp./Alma Mich	2,228	50,594	42,867
Fiserv Inc.	4,600	142,822	261,280

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Firstfed Financial Corp.	7,000	173,715	397,110
Flagstar Bancorp Inc.	23,300	105,641	280,765
First Energy Corp	9,149	290,334	592,215
Five Star Quality Care	94,400	925,722	753,312
Fluor Corp (New)	18,681	1,701,084	2,080,503
Flushing Financial Corp.	9,000	114,278	144,540
Force Protection Inc.	21,715	429,124	448,198
Ford Motor Company	51,124	1,248,589	481,588
Forest Laboratories Inc.	8,707	316,612	397,475
Formfactor Inc.	29,631	1,052,721	1,134,867
Fortune Brands Inc	40,431	3,145,356	3,330,301
Foster Wheeler Ltd.	14,112	803,596	1,509,843
Foundry Networks Inc.	57,600	830,671	959,616
Franklin Bank Corp/Houston	5,400	96,047	80,460
Franklin Resources Inc	4,429	214,008	586,710
Freeport-Mcmoran Copper-B	31,967	2,009,611	2,647,507
Frisch's Restaurants Inc.	1,900	26,009	58,026
Fulton Financial Corp.	27,400	418,195	395,108
Furniture Brands Intl. Inc.	21,900	480,159	310,980
Gatx Corporation	1,400	65,108	68,950
Geo Group Inc./The	54,000	1,086,565	1,571,400
Gfi Group Inc.	8,812	483,441	638,694
Gsi Group Inc.	30,700	356,365	300,553
Gannett Co Inc	6,413	380,384	352,394
Gap Inc.	143,320	2,723,846	2,737,412
Gehl Company	3,000	72,671	91,080
Gen-Probe Inc.	16,900	838,887	1,021,098
Genentech Inc.	37,725	3,039,161	2,854,274
General Dynamics Corporation	10,812	336,644	845,715
General Electric Co	446,245	12,699,460	17,082,259
General Growth Properties	6,700	354,430	354,765
General Mills Inc.	39,132	1,851,137	2,286,091
General Motors Corp	15,320	666,414	579,096
Genesco Inc.	9,600	190,486	502,176
Genuine Parts Company	4,409	143,396	218,686
Genworth Financial Inc. - Cl A	11,300	393,781	388,720
Geokinetics Inc.	23,400	655,200	726,102

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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SCHEDULE OF DOMESTIC STOCKS  
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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Genzyme Corporation	7,173	397,056	461,941
Georgia Gulf Corporation	15,500	396,039	280,705
German American Bancorp	4,900	64,222	67,375
Gibraltar Industries Inc	12,550	219,245	277,983
Gilead Sciences Inc.	83,500	2,388,930	3,237,295
Goldman Sachs Group Inc.	11,176	876,122	2,422,398
Goodrich (B.F.)Co	25,881	1,033,258	1,541,472
Goodyear Tire & Rubber Co.	5,946	209,238	206,683
Google Inc.	14,606	4,504,290	7,644,488
Graftech International Ltd.	46,000	255,963	774,640
W. W. Grainger, Inc.	2,124	96,382	197,638
Great Amern Finl Res Inc.	4,800	77,604	116,112
Great Southern Bancorp Inc.	3,800	113,402	102,790
Great Plains Energy Inc.	30,600	901,020	891,072
Greater Bay Bancorp	1,500	26,385	41,760
Griffon Corporation	11,213	266,399	244,219
Group 1 Automotive Inc.	9,700	311,940	391,298
Gulfmark Offshore Inc.	5,600	144,097	286,832
H&E Equipment Services Inc.	25,000	632,970	693,500
Halliburton Co.	25,045	469,982	864,053
John Hancock Bank & Trift	147,700	1,416,350	1,339,639
Hancock Holding Co.	1,600	63,196	60,080
Handleman Co.	3,500	42,529	21,805
Hanesbrands, Inc	8,390	181,286	226,782
Hanover Insurance Group Inc	14,400	548,590	702,576
Harley Davidson Inc.	7,069	283,212	421,383
Harleysville Group Inc.	10,900	245,977	363,624
Harleysville National Corp.	6,655	124,548	107,279
Harman International	1,800	198,000	210,240
Harrah's Entertainment Inc.	5,082	246,117	433,291
Harrington West Financial Group, Inc.	2,080	29,068	32,760
Hartford Financial Svcs Grp.	30,361	2,258,155	2,990,862
Hasbro Inc.	4,393	73,964	137,984
Hastings Entertainment Inc.	4,780	31,411	33,938
Headwaters Inc.	19,200	444,197	331,584
H J Heinz Co	8,913	313,084	423,100

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SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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SCHEDULE OF DOMESTIC STOCKS  
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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Helix Energy Solutions Group	30,104	1,004,422	1,201,451
Hercules Inc	7,588	185,478	149,104
Hercules Technology Growth	60,600	818,100	818,706
Hershey Foods	4,654	140,534	235,585
Hess Corp	7,447	168,034	439,075
Hewlett - Packard	122,952	3,777,599	5,486,118
Hickory Tech Corp.	6,000	51,377	54,600
Hilton Hotels Corporation	10,357	161,579	346,649
Home Depot Inc.	124,999	4,476,248	4,918,711
Honeywell Int'l	67,884	2,793,928	3,820,511
Hooker Furniture Corp.	5,700	89,060	127,908
Horace Mann Educators	19,500	368,158	414,180
Horizon Offshore, Inc.	10,500	159,543	201,600
Hornbeck Offshore Services	4,000	102,860	155,040
Hospira Inc	4,069	102,868	158,854
Host Marriott Corp.	14,400	387,072	332,928
Hudson City Bancorp Inc.	16,200	220,975	197,964
Humana Inc	4,397	95,394	267,821
Human Genome Sciences Inc.	63,500	589,633	566,420
Hunt (Jb) Transprt Svcs Inc.	34,580	911,716	1,013,886
Huntington Bancshares	9,999	221,424	227,377
Huron Consulting Group, Inc.	24,397	638,463	1,781,225
Huttig Building Products Inc.	4,100	20,613	31,037
Iac/Interactive Corp.	6,100	222,010	211,121
Ims Health Inc	6,365	117,004	204,507
Itla Capital Corporation	2,300	34,690	119,876
Ixia	77,000	859,814	713,020
Iberiabank Corp.	2,825	37,194	139,696
Itt Industries Inc.	5,060	116,250	345,497
Idacorp Inc.	12,900	422,566	413,316
Illinois Tool Works Inc.	11,302	321,166	612,455
Independent Bank Corp. - Mich	7,800	178,078	134,238
Industrial Svcs Of America	1,600	8,603	22,432
Indymac Bancorp Inc	25,600	640,706	746,752
Infinity Property And Casualty	8,700	270,006	441,351
Informatica Corp.	71,101	817,623	1,050,162

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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Ingersoll-Rand Co	58,038	2,290,969	3,181,643
Ingles Markets Inc. - Cl A	4,000	61,460	137,800
Insight Enterprises Inc.	6,300	121,144	142,191
Integra Lifesciences Holding	10,963	425,854	541,791
Integrated Device Tech Inc	74,057	1,037,567	1,130,850
Intel Corporation	358,996	6,830,808	8,529,745
Integrus Energy Group Inc	8,830	438,701	447,946
International Bancshares Crp.	18,051	454,362	462,467
International Business Machines	37,343	2,362,844	3,930,351
Intl Flavors & Fragrances	2,380	100,609	124,093
International Game Technology Com	9,065	150,919	359,881
International Paper	11,881	558,636	463,953
Interpool Inc	6,900	134,714	185,610
Interpublic Group	11,285	240,872	128,649
Intersections Inc.	7,700	74,373	77,000
Intest Corp.	3,200	13,967	14,816
Intuit Inc.	9,410	216,357	283,053
Investment Technology Group	31,600	1,261,954	1,369,228
Itron Inc.	15,893	797,981	1,238,700
JDS Uniphase Corp	5,746	2,313,327	77,169
JP Morgan Chase & Co.	162,259	5,945,123	7,861,449
Jabil Circuit Inc.	4,938	145,181	108,982
Jack In The Box Inc.	1,300	33,569	92,222
Jakks Pacific Inc.	11,300	208,820	317,982
Janus Capital Group Inc	6,069	144,644	168,961
Johnson & Johnson	125,589	5,377,583	7,738,794
Johnson Controls	5,224	181,081	604,782
Jones Apparel Group (Jones Of Ny)	3,244	107,923	91,643
Jos A Bank Clothiers	20,100	748,907	833,547
Journal Communications Inc.	18,900	251,889	245,889
Juniper Networks Inc.	15,500	271,053	390,135
Kla-Tencor Corp.	5,227	212,053	287,224
K-Swiss Inc.	9,300	220,077	263,469
Kaydon Corp.	16,231	518,341	845,960
Kb Home	2,412	41,498	94,960
Kellogg Company	6,811	272,541	352,742
Kennametal, Inc.	18,793	978,776	1,541,590

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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Key Tronic Corp.	4,500	15,835	22,950
Keycorp	10,724	275,709	368,155
Keyspan Corporation	5,490	198,043	230,470
Kimberly Clark Corporation	12,503	686,663	836,326
Kimco Realty Corp.	5,500	223,245	209,385
Kindred Healthcare Inc.	12,800	308,377	393,216
Kinetic Concepts Inc.	300	10,430	15,591
King Pharmaceuticals Inc.	6,106	170,696	124,929
Kirby Corp.	32,400	1,051,613	1,243,836
Kohls Corp.	8,794	338,147	624,638
Kraft Foods Inc. - A	108,563	2,448,765	3,826,846
Kroger Co.	19,337	367,327	543,950
Kulicke & Soffa Industries	26,000	193,618	272,220
Lsi Logic Corp.	21,117	258,413	158,589
L-3 Communications Holdgs Inc	3,100	235,307	301,909
Labor Ready Inc.	13,900	249,485	321,229
Laboratory Crp Of America Hlgs	46,234	2,674,809	3,618,273
Laclede Group Inc. /The	5,100	166,154	162,588
Lakeland Financial Corp.	3,200	52,817	68,064
Lakeland Industries Inc.	2,098	27,687	29,078
Landamerica Financial Group	7,700	259,360	742,973
Landry's Seafood Restaurants	1,100	30,686	33,286
Lazard Ltd. - Cl A	15,761	819,295	709,718
Estee Lauder Companies - Cl A	3,200	111,735	145,632
Lawson Software Inc.	65,500	658,834	647,795
Lecroy Corp.	5,200	73,903	50,544
Leggett & Platt, Inc.	4,892	104,734	107,869
Legg Mason Inc.	3,766	461,962	370,499
Lehman Brothers Holding Inc	14,540	375,145	1,083,521
Lennar Corporation	3,600	222,084	131,616
Lennox International Inc	21,800	494,360	746,214
Level 3 Communications Inc.	143,500	621,416	839,475
Lexmark Intl Group	2,534	156,759	124,952
Lifepoint Hospitals Inc	12,300	400,111	475,764
Lilly Eli & Co Com	26,997	1,674,812	1,508,592
Limited Brands	9,240	117,395	253,638
Lincoln Electric Holdings	2,100	125,985	155,904

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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SCHEDULE OF DOMESTIC STOCKS  
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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Lincoln National Corporation Indiana	7,438	324,443	527,726
Linear Technology Corp.	6,939	309,408	251,053
Lithia Motors Inc.	6,600	108,269	167,244
Liz Claiborne Inc	2,723	69,353	101,568
Lockheed Martin Corp	10,016	504,028	942,806
Loew's Corp.	12,212	230,222	622,568
Louisiana Pacific Corporation	16,900	344,685	319,748
Lowe's Cos. Inc.	77,118	1,682,866	2,366,751
Luby's Inc	3,000	31,393	28,980
M & T Bank Corp.	2,400	230,032	256,560
Maf Bancorp Inc.	4,956	175,275	268,913
Mbia, Inc.	3,649	156,420	227,041
Memc Electronic Materials	6,200	363,604	378,944
Mgic Investment Corp.	2,703	144,813	153,693
Mks Instruments Inc.	19,800	477,149	548,460
Macatawa Bank Corp.	4,725	88,726	75,175
Macy's Inc	12,608	311,133	501,546
Steven Madden Ltd.	4,200	130,452	137,592
Mainsource Financial Group Inc.	8,563	137,281	143,773
Mannatech Inc.	9,244	140,855	146,887
Manor Care Inc	2,283	66,751	149,057
Marathon Oil Corp.	106,158	3,685,872	6,365,234
Marinemax Inc.	7,000	149,060	140,140
Marlin Business Services	5,100	110,604	108,681
Marsh & McLennan Cos	14,580	410,353	450,230
Marshall & Ilsley Corp.	6,149	190,094	292,877
Marriott Corporation	8,762	151,511	378,869
Masco Corporation	55,539	1,679,325	1,581,195
Mattel Inc.	10,552	279,993	266,860
Maxim Integrated Products	8,735	447,452	291,836
Maxygen Inc.	48,827	509,635	418,447
Mcclatchy Co - Class A	5,900	193,192	149,329
Mccormick And Co Inc	3,530	90,543	134,775
Mc Donalds Corporation	102,573	3,221,790	5,206,605
Mcgraw Hill Inc.	9,474	202,114	644,990
Mckesson Hboc Inc	8,043	430,786	479,685

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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Meadowbrook Insurance Group	12,300	60,853	134,808
Meadwestvaco Corp.	4,875	148,618	172,185
Medco Health Solutions Inc	32,044	1,483,620	2,499,112
Medtronic Inc	65,073	2,920,814	3,374,686
Mellon Financial Corp.	10,944	304,603	481,536
Mercantile Bank Corp.	2,310	73,393	62,601
Mercer Insurance Group Inc.	2,200	40,145	43,780
Merchants Bancshares Inc	1,600	23,765	36,800
Merck & Co. Inc.	116,451	4,863,991	5,799,260
Meredith Corp.	1,261	43,801	77,678
Meridian Resource Corp.	40,500	143,338	122,310
Merix Corp.	7,800	63,394	61,542
Merrill Lynch	78,609	5,177,841	6,570,140
Mesa Air Group, Inc.	15,000	116,994	99,150
Metalico Inc.	3,500	16,948	27,825
Metlife Inc.	20,281	691,773	1,307,719
Metropcs Communications Inc.	30,853	780,728	1,019,383
Microsoft Corporation	350,977	7,875,838	10,343,292
Micron Technology Inc.	19,637	419,401	246,052
Microsemi Corp	74,883	1,352,483	1,793,448
Midland Co.	6,600	254,782	309,804
Millipore Corporation	1,230	48,394	92,361
Mity Enterprises Inc.	1,500	18,263	32,190
Modine Manufacturing Co.	14,900	355,666	336,740
Molex Inc.	4,548	166,992	136,485
Molson Coors Brewing Co.	1,222	73,378	112,986
Monsanto Co	14,862	202,880	1,003,779
Monster Worldwide Inc	3,436	153,628	141,220
Moody's Corporation	6,422	81,242	399,448
Morgan St Dean Witter	54,833	2,871,792	4,599,392
Morgans Hotel Group Co.	36,896	586,480	899,524
Motorola Inc.	63,335	1,001,902	1,121,030
Mueller Industries	11,900	367,484	409,836
Multi-Fineline Electronix Inc.	6,500	141,402	111,540
Murphy Oil Co.	4,700	260,772	279,368
Mylan Laboratories	6,500	157,886	118,235

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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
NBT Bancorp Inc.	15,505	350,078	349,793
NCI Building Systems Inc.	5,300	262,679	261,449
Ncr Corporation	4,640	84,658	243,786
NN Inc.	7,834	96,960	92,441
Nymagic Inc.	4,000	100,862	160,800
Nabors Industries Ltd	7,688	195,383	256,625
Nasdaq Stock Market Inc.	25,900	864,806	769,489
National Atlantic Holdings - A	2,700	34,121	37,503
National City Corp.	17,614	550,978	586,898
National Dentex Corp.	1,100	18,277	20,647
National Interstate Corp.	5,423	128,207	141,432
National Medical Health Card	1,500	20,896	23,940
National-Oilwell Inc.	4,700	244,136	489,928
Natl Penn Bcshts Inc.	14,800	278,803	246,864
National Semiconductor Corp.	7,656	98,844	216,435
Natl Western Life Ins	1,100	124,916	278,212
Navigators Group Inc.	2,200	111,573	118,580
Nelnet Inc. - CI A	10,700	292,569	261,508
Network Appliance Inc.	10,207	191,820	298,044
New York Times Co.	3,824	126,703	97,130
Newell Rubbermaid Inc.	6,955	238,855	204,686
Newmont Mining Corporation	12,301	367,488	480,477
News Corp	63,700	1,181,588	1,351,077
Nicor, Inc.	3,217	131,654	138,074
Nike Inc - CI B	10,392	287,161	605,750
Nisource Inc.	6,660	154,608	137,929
Noble Corp	3,689	171,344	359,751
Nordstrom, Inc.	5,990	65,691	306,209
Norfolk Southern	10,887	342,596	572,330
North Pittsburgh Systems	1,900	39,369	40,375
Northern Trust Co.	5,591	237,473	359,166
Northrim Bancorp Inc.	1,763	12,709	48,148
Northrop Grumman Corporation	9,478	478,404	738,052
Novell Inc.	11,143	71,447	86,804
Novellus Systems, Inc.	4,002	166,533	113,537
Noven Pharmaceuticals Inc.	30,900	732,331	724,605
Nuance Communications Inc.	113,000	956,684	1,890,490
Nucor Corp.	8,232	122,749	482,807

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	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Nutraceutical Intl Corp.	4,500	63,352	74,565
Nvidia Corp.	9,970	211,046	411,861
Occidental Petroleum Corp.	22,794	422,520	1,319,317
Oceaneering International Inc	13,400	647,912	705,376
Oceanfirst Financial Corp.	7,000	165,928	123,200
Odyssey Re Holdings Corp.	31,800	751,037	1,363,902
Office Depot Inc.	25,480	820,201	772,044
Officemax Inc	2,079	68,022	81,705
Ohio Casualty Corp.	8,670	214,287	375,498
Olin Corporation	33,300	633,744	699,300
Omnicom Group, Inc.	9,064	253,512	479,667
Omnivision Technologies	21,015	308,085	380,582
Omniture Inc.	37,700	694,540	864,084
Oracle Systems Corporation	108,282	981,165	2,134,238
Oshkosh Truck Corp.	24,520	1,346,566	1,542,798
Pab Bankshares, Inc.	4,000	51,666	76,600
P.A.M. Transportation Svcs	3,300	67,129	60,324
P G & E Corporation	10,279	243,560	465,639
PFF Bancorp Inc.	9,140	78,551	255,280
PNC Financial Services Group	9,381	497,788	671,492
PPG Industries	4,305	235,643	327,654
PPL Corporation	9,850	157,694	460,882
Paccar, Inc.	6,733	137,691	586,040
Pacer International Inc.	11,700	301,312	275,184
Pacific Capital Bancorp	9,600	273,307	259,008
Pacific Sunwear Of Calif	12,500	254,222	275,000
Pactiv Corporation	4,045	129,687	128,995
Pall Corp.	3,120	68,356	143,489
Par Technology Corp./Del	1,500	12,258	12,795
Park Electrochemical Corp.	3,200	86,532	90,176
Park National Corp.	3,900	371,862	330,681
Parker-Hannifin Corp	2,996	111,538	293,338
Parkvale Financial Corp.	2,300	51,304	68,333
Patterson Cos Inc.	3,700	147,797	137,897
Paychex Inc.	9,448	265,553	369,606
Peabody Energy Corp.	7,200	302,365	348,336

(Continued)

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Pediatric Medical Group Inc	16,892	601,254	931,594
Penney J C Inc	6,123	243,150	443,183
Penns Wood Bancorp Inc.	1,360	50,263	46,403
Peoples Bancorp Inc.	5,326	132,355	144,175
Peoplesupport Inc.	61,136	1,164,076	693,894
Pepsi Bottling Group Inc.	4,354	99,506	146,643
Pepsico Inc. Capital Stock	108,174	5,144,259	7,015,084
Perkinelmer Inc.	57,299	1,113,092	1,493,212
Petrohawk Energy Corp.	32,200	549,024	510,692
Pfizer Inc Com	239,566	6,301,241	6,125,703
Phoenix Companies Inc.	24,400	350,405	366,244
Photronics Inc.	11,300	179,654	168,144
Pinnacle Entertainment Inc.	46,500	1,225,985	1,308,975
Pinnacle West Capital	2,315	87,053	92,253
Pitney Bowes, Inc.	5,941	208,319	278,158
Plantronics, Inc.	2,500	48,732	65,550
Plexus Corp	14,900	327,899	342,551
Plum Creek Timber Co. - Reit	4,640	135,783	193,302
Pogo Producing Co.	600	25,021	30,474
Polaris Industries Inc.	13,700	570,964	741,992
Polo Ralph Lauren Corp.	1,700	142,239	166,787
Polyone Corporation	41,000	277,312	294,790
Portland General Electric Co.	6,500	181,875	178,360
Praxair Inc.	8,642	248,079	622,138
Prepaid Legal Services Inc.	5,800	177,979	372,998
Precision Castparts Corp.	3,800	452,295	461,168
Presidential Life	12,500	196,886	245,750
T Rowe Price Group Inc.	6,694	118,436	347,352
Principal Financial Group	7,302	205,188	425,634
Procentury Corp.	5,600	57,946	93,856
Procter & Gamble Co Com	128,009	5,681,986	7,832,871
Progress Energy Inc.	7,308	295,006	333,172
Progressive Corporation Ohio	20,120	212,025	481,472
Prologis Trust	6,540	217,061	372,126
Provident Bankshares Corp.	10,200	314,426	334,356
Prudential Financial Inc.	12,842	450,007	1,248,628

(Continued)

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Public Service Enterprise Gp	55,861	3,570,809	4,903,479
Public Storage, Inc	2,949	201,761	226,542
Puget Energy Inc.	28,300	606,509	684,294
Pulte Corp.	5,696	44,188	127,875
Qlogic Corp.	4,360	159,355	72,594
Qualcomm Inc.	170,790	6,829,066	7,410,578
Quality Distribution Inc.	6,900	89,992	77,487
Quest Diagnostics Inc	35,444	1,687,859	1,830,683
Quest Software Inc.	41,600	607,094	673,504
Questar Corp.	4,800	207,000	253,680
Quicksilver Resources Inc.	21,500	851,598	958,470
Qwest Communications Intl.	42,501	1,196,033	412,260
RF Industries Ltd.	1,000	5,815	5,600
RLI Corp.	2,400	134,190	134,280
RPM Inc/Ohio	10,600	233,095	244,966
RTI International Metals Inc	12,200	795,260	919,514
RF Micro Devices Inc.	31,000	195,675	193,440
Radioshack Corp	3,672	62,165	121,690
Radyne Corp.	8,300	83,961	88,561
Range Resources Corp.	43,845	1,331,427	1,640,241
Raytheon Company	12,213	518,616	658,159
Regal Beloit	6,400	296,860	297,856
Regions Financial Corp	19,889	588,981	658,326
Renasant Corp	4,950	118,485	112,563
Rent-A-Center Inc	31,800	658,665	834,114
Republic Airways Holdings Inc.	19,400	262,359	394,790
Republic First Bancorp Inc.	148	309	1,421
Resources Connection Inc.	42,809	743,520	1,420,403
Rex Stores Corp.	4,575	44,587	90,722
Reynolds American Inc	4,878	178,226	318,046
Rite Aid Corporation	111,562	723,597	711,766
Robert Half Intl Inc.	4,315	119,675	157,498
Rockwell Automation	4,401	93,546	305,605
Rockwell Collins	4,516	106,698	319,010
Rocky Brands Inc.	2,500	33,308	46,300
Rohm & Haas Company	3,831	160,497	209,479

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Rowan Companies Inc.	3,275	94,326	134,210
Royal Bancshares Of Penn - A	800	18,859	15,768
Ruby Tuesday Inc.	2,100	48,096	55,293
Ruddick Corp.	5,700	84,326	171,684
Rudolph Technologies Inc.	10,800	180,551	179,388
Ryder System Inc.	1,592	45,631	85,650
Slm Corp	11,270	249,414	648,927
Safeco Corp	3,610	147,478	224,759
Safety Insurance Group, Inc.	6,700	130,555	277,380
Safeway, Inc.	12,296	561,989	418,433
Saga Communications Inc. - Cl A	6,900	55,066	67,620
Saia Inc.	5,300	131,053	144,478
St Jude Medical Inc	9,358	157,995	388,263
Sandisk Corp.	40,649	1,747,259	1,989,362
Sara Lee Corporation	20,111	368,862	349,931
Savvis Inc.	28,500	1,259,105	1,411,035
Schering Plough	40,757	1,074,736	1,240,643
Schiff Nutrition International	4,600	16,886	30,130
Schlumberger Limited	32,238	944,801	2,738,296
Schwab (Charles) Corp.	27,651	284,451	567,399
Scripps Co. (E.W.) - Cl A	2,300	109,089	105,087
Seabright Insurance Holdings	8,800	127,830	153,824
Sealed Air Corp.	4,282	100,492	132,828
Sears Holdings Corp	10,275	1,424,938	1,741,613
Selective Insurance Group	10,100	259,340	271,488
Sempra Energy	7,162	199,862	424,205
Sensient Technologies Corp.	17,600	343,134	446,864
Sherwin Williams Co.	3,124	91,709	207,652
Sierra Bancorp	500	8,232	14,100
Sigma-Aldrich Corporation	3,596	70,519	153,441
Silgan Holdings Inc.	15,200	149,280	840,256
Simmons First Natl Corp.	4,800	76,246	132,432
Simon Property Group Inc.	6,094	325,382	566,986
Simpson Manufacturing Co., Inc.	9,500	268,999	320,530
Sky Financial Group Inc	1,375	34,399	38,308
Skywest Inc.	29,000	476,395	691,070

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Smith (A.O.) Corp.	8,400	323,718	335,076
Smith International	5,500	213,361	322,520
Smithfield Foods Inc.	4,203	131,407	129,410
Snap-On, Inc.	1,476	40,306	74,553
Solelectron Corp.	24,547	404,730	90,333
Sonic Automotive Inc.	12,000	265,266	347,640
Southern Co.	20,506	420,308	703,151
Southwest Air	20,556	213,516	306,490
Southwest Bancorp Inc.	2,700	20,576	64,908
Sovereign Bancorp Inc.	9,468	199,840	200,154
Specialty Underwriters' Alliance	5,100	41,232	40,341
Spectra Energy Corp	17,473	388,847	453,599
Spectrum Brands Inc	13,300	250,977	90,041
Speedway Motorsports Inc.	9,900	363,562	395,802
Spirit Aerosystems Hold - Cl A	34,562	1,158,061	1,245,960
Sprint Corporation	79,170	1,766,703	1,639,611
Stage Stores Inc.	50	568	1,048
Stancorp Financial Group	12,300	520,003	645,504
Standard Pacific Corp.	2,100	13,541	36,813
Standex International Corp.	5,300	144,823	150,732
Stanley Furniture Co Inc.	4,800	56,647	98,592
Stanley Works	2,166	86,365	131,476
Staples Inc.(Retail & Delivery)	19,575	281,761	464,515
Starbucks Corp.	20,210	200,460	530,310
State Auto Financial Corp.	4,316	135,537	132,285
Starwood Hotels & Resorts	47,177	2,628,652	3,164,161
State Street Corp.	10,831	452,904	740,840
The Steak N Shake Company	3,900	54,351	65,091
Stone Energy Corp.	12,600	520,119	431,676
Strattec Security Corp.	1,600	70,856	75,200
Stride Rite Corp	7,400	109,640	149,924
Stryker Corporation	7,872	215,985	496,644
Sun Microsystems	97,616	625,925	513,460
Sunoco Inc.	3,488	70,332	277,924
Sun Trust Bank Inc	51,283	3,774,734	4,397,004
Superior Essex Inc.	2,400	42,491	89,640

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Superior Well Services, Inc.	8,700	228,209	221,067
Super Valu Stores	5,286	113,664	244,848
Supreme Inds Inc.	4,300	33,803	29,842
Susquehanna Bancshares Inc.	14,600	347,698	326,602
Symantec Corp.	24,615	907,374	497,223
Synovus Financial Corp.	7,701	174,033	236,421
Synnex Corp.	14,900	263,748	307,089
Sysco Corp	16,477	271,295	543,576
Teco Energy Inc.	4,756	106,120	81,708
T-Hq Inc.	23,900	708,040	729,428
TJX Companies Inc.	12,948	133,171	356,070
TRW Automotive Holdings Corp.	9,700	233,784	357,251
TSR Inc.	1,900	11,839	7,429
Tousa Inc	13,800	128,728	57,822
TTM Technologies	13,500	157,805	175,500
TXU Corporation	43,296	1,690,050	2,913,821
Target Corp	48,717	2,050,251	3,098,401
Taylor Capital Group Inc.	3,900	101,063	107,367
Technology Research Corp.	2,650	10,892	10,627
Techtarget	41,800	603,002	537,130
Tektronix, Inc.	2,152	45,553	72,608
Tellabs, Inc.	12,857	282,687	138,341
Temple-Inland, Inc.	3,342	99,348	205,633
Tempur-Pedic International	32,500	396,077	841,750
Tenet Healthcare Corporation	11,835	249,283	77,047
Teradyne, Inc.	4,791	175,716	84,226
Terex Corp.	2,800	183,841	227,640
Texas Instruments, Inc.	94,544	2,204,597	3,557,691
Texas Roadhouse Inc.	74,526	1,019,251	953,188
Textron, Inc.	3,827	229,740	421,391
Thermo Electronics Corp	11,803	382,295	610,451
Thor Industries Inc.	5,700	234,461	257,298
3 M Co	19,726	1,077,586	1,712,020
Tidewater, Inc.	2,000	99,852	141,760
Tierone Corp.	1,100	35,045	33,110
Tiffany & Co.	3,682	110,379	195,367

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
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SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Timberland Bancorp Inc.	2,000	13,405	31,400
Timberland Company	17,300	568,327	435,787
Time Warner Inc	182,999	4,761,285	3,850,299
Time Warner Telecom - Class A	35,000	735,373	703,500
Timken Co.	20,100	571,522	725,811
Torchmark Corp	2,844	94,519	190,548
Transaction Systems Architects	37,100	1,244,889	1,248,786
Transocean	7,857	298,607	832,685
Travelers Cos Inc/The	18,335	727,861	980,923
Triad Hospitals Inc	40,200	1,609,033	2,161,152
Triad Guaranty Inc.	6,200	287,104	247,566
Tribune Co.	2,511	83,581	73,823
Trico Bancshares	5,800	48,624	129,688
Trustco Bank Corp. Ny	3,500	38,300	34,580
Trustmark Corp.	23,072	654,581	596,642
Tuesday Morning Corp.	16,700	299,166	206,412
Tupperware Corporation	27,600	576,937	793,224
Tyco International Ltd.	54,248	1,590,533	1,833,040
Tyson Foods Inc	6,500	115,034	149,760
UST Inc	4,241	126,866	227,784
USA Truck Inc	2,300	36,610	38,180
US Bancorp	116,580	3,314,095	3,841,311
USEC Inc.	18,600	205,443	408,828
US Concrete Inc.	17,700	110,432	153,813
U.S. Xpress Enterprises, Inc.	3,800	66,068	70,604
Uti Worldwide Inc.	39,303	817,950	1,052,927
UAP Holding Corp.	1,300	27,209	39,182
Ultra Clean Holdings	7,800	111,409	109,044
Unico American Corp	2,000	15,095	26,620
Unifirst Corp.	1,900	59,005	83,695
Union Bankshares Corp.	3,600	96,435	83,520
Union Drilling Inc.	6,600	98,885	108,372
Union Pacific Corporation	21,944	1,822,342	2,526,852
Unionbancal Corporation	38,958	2,691,897	2,325,793
Unisys Corp.	8,414	122,121	76,904
United Auto Group Inc.	31,600	217,671	672,764
United Community Financial	14,015	155,877	139,870
United Bankshares Inc.	8,300	268,734	263,940

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
United Fire & Casualty Co.	6,620	187,707	234,216
United Industrial Corp.	1,800	28,608	107,964
United Online Inc.	30,000	330,858	494,700
United Parcel Service - Cl B	48,741	3,444,193	3,558,093
United Rentals Inc.	18,500	456,631	601,990
United Security Bancshares	1,800	39,450	45,576
United States Steel Corp.	3,216	96,394	349,740
United Technologies	77,774	3,941,415	5,516,510
Unitedhealth Group Inc.	36,700	662,543	1,876,838
Universal Compression Hldgs.	8,351	318,303	605,197
Universal Corporation	8,100	287,798	493,452
Universal Forest Products	3,800	133,459	160,588
Univest Corp. Of Pennsylvania	3,500	93,872	78,827
Unumprovident Corp	8,498	267,055	221,883
Urban Outfitters Inc	74,914	1,948,018	1,800,183
V F Corporation	2,440	82,372	223,455
Valassis Communication	17,800	319,135	305,982
Valeant Pharmaceuticals Intl.	60,700	1,028,184	1,013,083
Valero Energy Corp.	15,000	359,450	1,107,908
Varian Semiconductor Equip.	23,638	593,187	946,938
Varian Medical Systems Inc.	3,600	174,600	153,036
Vectren Corporation	17,700	459,270	476,661
Versign Inc.	6,700	158,218	212,591
Verizon Communications	79,437	2,865,311	3,270,421
Vertrue Inc	4,400	134,929	214,632
Viacom Inc - Class B	54,368	1,905,733	2,263,340
Vishay Intertechnology, Inc.	47,900	657,006	757,778
Vistaprint Ltd.	28,882	888,392	1,104,737
Vornado Realty Trust	4,100	378,566	450,344
Vulcan Materials Co.	2,576	116,624	295,055
W&T Offshore Inc.	21,600	620,807	604,584
WCI Communities Inc.	1,100	24,761	18,348
WGL Holdings Inc.	22,200	620,559	724,608
WMS Industries Inc.	43,300	864,735	1,249,638
WSFS Financial Corp.	1,700	20,977	111,231
Wabash National Corp.	2,800	53,825	40,964
Wachovia Corp.	52,298	2,136,317	2,680,273

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STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Waddell & Reed Financial - Class A	27,300	664,756	710,073
Wal-Mart Stores Inc.	213,070	9,282,406	10,250,798
Walgreen Co.	60,095	2,046,903	2,616,536
Warnaco Group Inc.	32,285	682,090	1,270,092
Washington Banking Co.	2,100	12,764	31,815
Washington Federal Inc	31,910	748,702	775,732
Washington Mutual Inc.	77,564	3,120,561	3,307,329
Washington Trust Bancorp	3,800	97,260	95,798
Waste Management Inc.	14,899	584,171	581,809
Waters Corp.	2,852	104,488	169,295
Watson Pharmaceutical Inc.	2,815	126,282	91,572
Weatherford Intl. Ltd.	8,926	278,369	493,072
Webster Financial Corp.	13,000	612,564	554,710
Wellpoint Inc	29,553	1,563,391	2,359,216
Wells Fargo Company(1998)	91,296	1,824,951	3,210,880
Wendy's International, Inc.	2,678	50,297	98,417
Werner Enterprises Inc.	20,800	374,887	419,120
West Bancorporation	6,015	95,135	96,060
West Coast Bancorp/Oregon	1,900	28,437	57,741
Westar Energy Inc.	33,000	736,382	801,240
Westell Technologies Inc. - A	25,400	104,430	66,294
Western Union Co	78,474	1,557,297	1,634,615
Westlake Chemical Corp.	24,300	697,371	683,316
Weyerhaeuser Co.	5,751	314,074	453,926
Whirlpool Corporation	2,277	149,444	253,206
Whitney Holding Corp.	14,400	456,020	433,440
Whole Foods Market Inc	4,300	322,113	164,653
Williams Companies Inc	16,631	373,344	525,872
Windstream Corp.	12,730	116,818	187,896
Wireless Telecom Group Inc.	10,900	30,568	33,681
Wireless Xcessories Group	1,000	2,715	3,500
Worthington Industries	38,600	683,677	835,690
Wrigley (Wm.) Jr. Co.	6,010	203,437	332,413
Wyeth	62,244	2,790,714	3,569,071
Wyndham Worldwide Corp	23,186	907,471	840,724
XI Capital Ltd.	5,164	399,830	435,299
Xto Energy Inc.	11,300	365,282	679,130
Xcel Energy Inc	10,113	254,310	207,014

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SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF DOMESTIC STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Xilinx Inc	73,733	2,016,232	1,973,832
Xerox Corporation	25,224	597,780	466,140
Xerium Technologies Inc.	16,100	144,841	122,682
YRC Worldwide Inc.	21,400	845,586	787,520
Yadkin Valley Financial Corp	1,000	13,170	18,360
Yahoo! Inc.	76,477	2,903,920	2,074,821
Yum! Brands Inc	14,236	127,688	465,802
Zale Corp.	91,900	2,403,646	2,188,139
Zimmer Holdings Inc.	6,445	212,123	547,116
Zions Bancorporation	2,486	140,366	191,198
Zoltek Companies Inc.	40,100	1,044,495	1,665,353
Zymogenetics Inc.	31,250	497,824	456,563
	<u>21,827,761</u>	<u>\$ 638,962,317</u>	<u>\$ 829,543,133</u>

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SCHEDULE OF FOREIGN STOCKS  
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	<u>Shares</u>		<u>Cost</u>		<u>Fair Value</u>
Advantest Corp.	39,200	\$	1,592,335	\$	1,704,553
Astellas Pharma Co	65,300		2,100,993		2,834,190
Bp Plc	230,000		2,595,259		2,782,609
Bg Group Plc.	330,000		1,290,198		5,439,120
Colruyt Nv	16,500		959,120		3,453,808
China Mobile Ltd.	155,000		557,419		1,664,421
Clp Holdings Limited	455,000		1,758,357		3,052,595
Canon Inc.	56,050		916,494		3,281,442
Cnooc Ltd.	4,150,000		1,768,843		4,703,195
Centrica Plc	362,000		2,502,594		2,821,681
Dbs Group Holdings Ltd.	175,000		2,425,775		2,608,778
Daikin Industries Ltd.	76,000		1,876,609		2,763,185
Denso Corporation	53,000		803,637		2,068,585
Ericsson Lm -B Shs	640,000		1,965,586		2,562,880
Eisai Co. Ltd.	53,000		1,053,816		2,308,911
Fanuc	29,000		1,240,391		2,987,003
Glaxosmithkline Plc	88,000		2,437,650		2,304,095
Hennes & Mauritz Ab-B Shs	45,300		829,265		2,685,420
Hirose Electric Co. Ltd.	15,800		1,626,401		2,075,194
Honda Motor Co. Ltd.	70,000		1,162,927		2,550,709
Hong Kong & China Gas	1,341,999		1,300,286		2,828,934
Hutchison Whampoa	275,000		2,000,979		2,731,383
Inditex	41,500		924,010		2,453,214
Kingfisher Plc	403,000		1,946,306		1,831,393
Keyence Corporation	12,520		1,612,353		2,730,180
L'oreal	24,500		1,711,926		2,905,168
Lvmh (Moet-Hennessy Louis Vui)	24,500		929,684		2,830,386
Lend Lease Corp Ltd	203,000		1,784,384		3,193,048
Morrison (Wm.) Supermarkets	315,000		1,358,659		1,911,790
Mitsubishi Tokyo Financial	232		2,686,330		2,554,921
Millea Holdings Inc.	82,000		1,697,034		3,359,811
Mitsubishi Estate Co. Ltd.	96,000		888,134		2,604,154
Murata Manufacturing Co. Ltd.	13,600		894,557		1,023,070

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STATE OF LOUISIANA  
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SCHEDULE OF FOREIGN STOCKS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Nokia Ab	78,900	764,979	2,217,476
Ntt Docmo, Inc	1,320	2,349,357	2,084,295
Nitto Denko Corp.	35,600	2,245,112	1,793,044
Novartis Ag - Reg	42,800	2,399,291	2,409,590
Rio Tinto Plc	49,800	2,177,553	3,823,793
Reckitt Benckiser Plc.	61,000	1,152,705	3,347,296
Rohm Company	22,400	2,080,894	1,986,154
Suncor Energy Inc.	40,000	1,171,563	3,608,368
Secom	49,000	1,854,745	2,305,274
Shin-Etsu Chemical Co.	37,500	747,215	2,675,209
Television Francaise (T.F.1)	71,000	2,266,615	2,461,470
Takeda Chemical Inds	45,000	1,235,772	2,900,525
Woodside Petroleum Limited	129,000	627,241	5,007,045
	<u>10,600,321</u>	<u>\$ 72,271,353</u>	<u>\$ 126,229,365</u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF PRIVATE EQUITY FUNDS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Private equity fund - Pantheon Ventures	2,700,000	\$ 2,700,000	\$ 2,564,125
Private equity fund - Hamilton Lane	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,621,905</u>
	<u>5,700,000</u>	\$ <u>5,700,000</u>	\$ <u>5,186,030</u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF INTERNATIONAL EQUITY FUNDS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Thornburg International Equity Fund	<u>50,000,000</u>	\$ <u>50,000,000</u>	\$ <u>63,851,755</u>
	<u>50,000,000</u>	\$ <u>50,000,000</u>	\$ <u>63,851,755</u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REAL ESTATE FUNDS  
JUNE 30, 2007

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Real Estate Fund - Prudential	1,407	\$ 46,825,774	\$ 51,251,733
Real Estate Fund - Principal Global	<u>1,715,204</u>	<u>43,731,535</u>	<u>53,526,625</u>
	<u>1,716,611</u>	<u>\$ 90,557,309</u>	<u>\$ 104,778,358</u>

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REAL ESTATE HELD FOR INVESTMENT  
JUNE 30, 2007

	<u>Cost</u>	<u>Fair Value</u>
Real Estate Held for Investment	\$ <u>2,151,604</u>	\$ <u>2,261,714</u>



STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF ADMINISTRATIVE EXPENSES  
YEAR ENDED JUNE 30, 2007

## EXPENSES:

Salaries	\$ 2,010,845
Overtime pay	8,897
Related benefits	607,262
Student labor	10,792
Compensation - board	7,950
Total expenses	<u>2,645,746</u>

## OPERATING EXPENSES:

Professional improvement - staff and board	17,050
Travel - board	26,732
Travel - staff	7,064
Total operating expenses	<u>50,846</u>

## OPERATING SERVICES:

Printing	51,649
Equipment maintenance	49,631
Building	294,169
Dues	5,277
Postage	129,301
Telephone	45,328
Equipment rent	794
Insurance	12,332
Legal	9,497
Advertising	3,785
Total operating services	<u>601,763</u>

## SUPPLIES:

Office	31,349
Computer	70,220
Total supplies	<u>101,569</u>

## PROFESSIONAL SERVICES:

Medical	4,595
Actuary	49,800
Audit	23,700
Records imaging	6,285
Total professional services	<u>84,380</u>

## INTERAGENCY TRANSFERS:

Civil Service	7,461
Total interagency transfers	<u>7,461</u>

## OTHER CHARGES:

Legiscon	3,200
Miscellaneous	11,180
Computer software	81,408
Total other charges	<u>95,788</u>

## TOTAL EXPENSES

\$ 3,587,553



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
A FINANCIAL STATEMENT AUDIT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 23, 2007

Board of Trustees  
State of Louisiana School  
Employees' Retirement System  
Baton Rouge, Louisiana

We have audited the financial statements of the State of Louisiana School Employees' Retirement System (Plan), a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, and have issued our report thereon dated September 23, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the State of Louisiana School Employees' Retirement System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Louisiana School Employees' Retirement System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Louisiana School Employees' Retirement System's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the State of Louisiana School Employees' Retirement System's ability to initiate, authorize, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the State of Louisiana School Employees' Retirement System's financial statements that is more than inconsequential will not be prevented or detected by the State of Louisiana School Employees' Retirement System's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State of Louisiana School Employees' Retirement System's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Louisiana School Employees' Retirement System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, State of Louisiana Division of Administration, Office of the Legislative Auditor of the State of Louisiana, and management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Krapmann, Hogan & Maher, LLP*

STATE OF LOUISIANA  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of State of Louisiana School Employees' Retirement System for the years ended June 30, 2007 and 2006 was unqualified.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS:

Internal Control:

Material weaknesses -- none noted  
Significant deficiencies -- none noted

Compliance:

Noncompliance material to financial statements -- none noted

SUMMARY OF PRIOR FINDINGS:

06-01 Bank Reconciliations

During the prior year audit, it was noted that a bank account had not been reconciled for several months during the year. Bank reconciliations not prepared in a timely manner may result in transactions not being booked into the financial records for the period in which they occurred. The performance of a bank reconciliation functions as a control over cash receipts and disbursements. The performance of timely bank reconciliations is necessary to prevent or detect errors and/or misappropriations in a timely manner. We recommended that the System prepare monthly bank reconciliations in a timely manner. All bank reconciliations are being prepared timely.